

**NATIONAL
HEAVY
VEHICLE
REGULATOR**

**ANNUAL
REPORT**

2021-22



ABOUT THIS REPORT

This Annual Report provides a detailed account of our operational and corporate performance during the 2021–22 financial year. It has been prepared in accordance with the *Heavy Vehicle National Law Act 2012* (Qld) (HVNL) and other relevant legislation, and fulfils our statutory reporting obligations to responsible Ministers, as outlined in Appendix A on page 66.

It outlines our operational performance against the National Performance Measures (Standards and Indicators) set out in the *NHVR Corporate Plan 2021–2024*, highlights our significant achievements for the year, and reflects the strategic direction contained in the *NHVR Statement of Expectations* approved at the Infrastructure and Transport Ministers' Meeting (ITMM) in November 2020.

It also communicates our vision and commitments to our stakeholders, recognises the achievements of our employees, and discusses our:

- workforce profile
- workplace health and safety (WHS) performance
- stakeholder engagement activities
- corporate governance framework
- financial results.

The report also addresses the recommendation of the *Productivity Commission, National Transport Regulatory Reform, Inquiry Report* released on 1 October 2020, that national transport regulators should monitor and report on compliance costs starting in 2021. This information is included as Appendix C on page 70.

For ease of reference, we have included a glossary, alphabetical index and table of abbreviations on pages 71, 73 and 74 respectively.

This report, past reports, the *NHVR Corporate Plan 2021–2024* and other corporate publications can be accessed on our website at www.nhvr.gov.au

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Interpreter service statement

We are committed to providing accessible services to people from all culturally and linguistically diverse backgrounds. Should you have difficulty understanding this report, please contact us and we will arrange an interpreter to communicate it to you.

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OUR PURPOSE

To enable safe and efficient heavy vehicle movements for the benefit of all.¹

OUR VISION

A safe, efficient and productive heavy vehicle industry serving the needs of Australia.

OUR MISSION

Through leadership and influence, we administer a statutory national system that delivers consistent and streamlined regulatory services and administration to the Australian heavy vehicle road transport sector, fostering greater safety and productivity while minimising regulatory burden.

OUR VALUES



People matter

Our employees are our most important asset. We value them and treat them with respect.

We strive to ensure our employees arrive at work safely and return home safely every day.

We encourage and assist our employees to grow professionally and personally.

We recognise each other's efforts and achievements.



Customer first

We fulfil our commitments.

We consistently deliver outstanding service.

We treat our customers with respect, and listen to their needs and concerns to tailor fit-for-purpose solutions.



We add value

We align our activities and actions to the NHVR's strategic goals and objectives.

We focus our efforts on achieving our vision.

We ask ourselves, "How can I be more efficient and effective?"

We add value by embracing diversity and innovation.

At the end of each working day, we feel we have contributed to the NHVR's purpose and goals.



Strong partnerships

We help and support each other to achieve exceptional results.

We actively promote a positive culture, and address issues openly and constructively without fear of retribution.

We share our knowledge with our colleagues.

We are each accountable for our own performance and professionalism.

To deliver on our promises, we hold each other to account.

¹ Defined in the HVNL as a vehicle that has a gross vehicle mass (GVM) or aggregate trailer mass (ATM) of over 4.5 tonnes, with the GVM of a vehicle being the maximum it can weigh when fully loaded, as specified by the manufacturer. The ATM of a heavy trailer means the total maximum mass of the trailer, as stated by the manufacturer together with its load and the mass imposed on the towing vehicle by the trailer when the towing vehicle and trailer are on a horizontal surface.

LETTER OF TRANSMITTAL



23 September 2022

The Hon Catherine King MP
Minister for Infrastructure, Transport, Regional Development and Local Government
PO Box 6022
Parliament House
CANBERRA ACT 2600

Dear Minister

I am pleased to present to you the Annual Report for the National Heavy Vehicle Regulator (NHVR) for the reporting year 1 July 2021 to 30 June 2022.

The report has been prepared in accordance with the requirements of the *Heavy Vehicle National Law Act 2012* (Qld). It demonstrates how the NHVR has driven sustainable improvements to safety, productivity and efficiency across the Australian heavy vehicle road transport sector in line with the commitments made in the *NHVR's Corporate Plan 2021–2024*.

Performance against the National Performance Measures contained in the Corporate Plan has been subject to an independent ASAE 3000 assurance review conducted by O'Connor Marsden.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Duncan Gay'.

The Hon Duncan Gay
Chairperson

A handwritten signature in black ink, appearing to read 'Sal Petrocetto'.

Sal Petrocetto
Chief Executive Officer

A SNAPSHOT OF THE YEAR

In 2021–22, we delivered

A safer, more productive industry

32

road access notices

(29 in 2020–21)

A better customer experience

54%

faster Performance Based Standards (PBS) vehicle approval turnaround

(6.49 days in 2021–22, 14 days in 2020–21)

16%

growth in Advanced Fatigue Management (AFM) accreditation (89 in 2021–22, 77 in 2020–21)

15%

faster NHVR permit processing time (2.11 days in 2021–22, 2.48 days in 2020–21)

15

charges relating to breaches of the primary duties under the HVNL (15 in 2020–21)

90%

first call resolution by our new in-house Contact Centre

15

enforceable undertakings (EUs) under the HVNL (2 in 2020–21)²

AA

standard of the Web Content Accessibility Guidelines

² An EU is a voluntary statutory agreement that can be used as an alternative to prosecution where the alleged offender can demonstrate their ability to undertake organisational reform and implement effective safety measures for transport activities.



“As a modern and intelligence-led regulator, we are committed to challenging the system and finding new ways to bring down the number of fatalities on our roads.”

MESSAGE FROM THE CHAIRPERSON

Nothing we do at the NHVR is more important than ensuring heavy vehicle drivers get home safely to their families.

In both my current and former roles, I've been fortunate to get to know drivers and operators who live and breathe the transport task every day. I've learnt how much the heavy vehicle industry relies on government to make good and timely decisions that impact their livelihoods. Most critical to these decisions is ensuring we are making every effort to eliminate trauma and the loss of lives on our roads.

Reducing our road toll

During 2021–22, 187 people died in crashes involving heavy trucks and 16 in crashes involving buses. While bus-crash-related deaths decreased by almost 24% compared with 2020–21, the number of people who died in truck crashes rose by more than 16%.

We know different factors play a role in heavy vehicle crashes that occur right along the supply chain. We also know that light vehicles continue to be the at-fault party in eight out of 10 fatal crashes involving cars and trucks in Australia.

As a modern and intelligence-led regulator, we are committed to challenging the system and finding new ways to bring down the number of fatalities on our roads.

This year, we released our *NHVR Heavy Vehicle Safety Strategy 2021–2025* (HVSS), which is built on the principles of safety being a shared responsibility and the importance of effective partnerships – with industry, regulatory and supply chain partners, and the community.

In this respect, we launched a major safety campaign titled *Don't #uck With A Truck* during the year, which was intentionally provocative to grab the attention of learner and provisional licence holders. It provides practical advice about how to drive safely around trucks and will be rolled out in driving programs across the country.

Focusing on fatigue reform and fitness to work

We also know that no two people are the same, and we are committed to providing industry with the guidance and tools to better manage their individual needs.

Genuine fatigue reform is key to this outcome, where we want to move the focus from exclusively counting hours to ensuring drivers can get quality rest when they are tired, within outer limits, and have an absolute authority to stop when they are not fit to drive.

Based on feedback gathered through one-on-one industry fatigue sessions during the year, we have started developing options for tailored Advanced Fatigue Management (AFM) outcomes to better address industry needs.

Having access to meaningful support to address mental and physical health continues to be a key priority. Every year we learn more about the impact mental health can have on a person's life and, in turn, their safety and the safety of other road users.

Supporting industry safety initiatives

The Australian Government funded Heavy Vehicle Safety Initiative (HVSII) program has had an incredibly strong focus on normalising mental health discussions and implementing practical tools to support better outcomes – particularly for drivers and workers along the transport and logistics chain.

2021–22 was our sixth year of administering the HVSII program, which to date has provided more than \$28.3 million for 117 grants for grassroots projects, developed by industry for industry.

These issues are top of mind as we continue to contribute heavily to the review of the HVNL being led by the National Transport Commission (NTC). With more than eight years' experience gained from the operation of the current HVNL, we see the genuine reform that could be delivered through embracing these learnings, and recognising the safety and technology advances that have been made by industry.

If we get this right, we can deliver a flexible and effective regulatory system that maximises safety and efficiency benefits, which will be essential to ensuring the efficient movement of freight in the future and, in turn, the ongoing success of the Australian economy.

Achieving consistent and effective borderless regulation

We have already created consistent, borderless operations in the Australian Capital Territory (ACT), South Australia, Tasmania and Victoria, where we have assumed regulatory responsibility for heavy vehicles through delivery of the National Services Transition (NST) Program.

In these jurisdictions, we have increased the levels of resources, services and functionality – at no cost to industry. We have also provided improved regulatory capability, and are starting to see the benefits of harmonised policies, procedures and training of our staff.

In August this year, regulatory services will transition to the NHVR from New South Wales – the largest of the HVNL-participating jurisdictions. This will grow our workforce by 70%, when around 340 new people join our New South Wales team, 310 of them transferring directly from Transport for NSW (TfNSW).

We have also been working closely with the Queensland Department for Transport and Main Roads (TMR), with a view to completing transition in 2023. We are grateful to TfNSW and TMR for their cooperation throughout the process so far and for the strong, supportive relationships we have built.

Assessing assets to grow access

So too do we appreciate the confidence shown in us by the Australian Government to deliver on its behalf important initiatives, including the \$20 million Strategic Local Government Asset Assessment Program (SLGAAP). The SLGAAP has enabled us to go 'back to basics' to assess the state of infrastructure on local government roads, so we can continue to use roads as economic assets and gain the greatest efficiencies.

In under two years, the SLGAAP has delivered 465 bridge assessments across 74 council areas with up to 500 more assessments still to be undertaken, and we are seeing the benefits, with access opening across previously underrated or uncategorised assets, enabling drivers to use shorter, safer routes.

On behalf of the Board, I thank all our NHVR employees, who have continued to deliver outstanding results, despite the impact of COVID-19 on their lives – at home and at work.

The Board also recognises the work of CEO Sal Petrocchio and his Executive Leadership Team (ELT), and their ongoing commitment and dedication to progressing a safer, more productive heavy vehicle industry for all Australians. It was a great pleasure to welcome our three new ELT members during the year.

Finally, I would like to thank my Board colleagues, in particular Ken Lay, who left our Board in June. Thank you for your contribution. I have valued your wisdom and support.



The Hon Duncan Gay
Chairperson



“Across the board, we are committed to a regulatory intervention strategy that is focused on informing, educating and enforcing.”

CEO'S REPORT

As I look back on my eight years as CEO of the NHVR, I am proud to see how much the heavy vehicle road transport industry has changed and continues to change – through innovation, technology and, most importantly, by sharing the common goal of making our industry and our roads safer for everyone.

Collaboration and teamwork has kept trucks moving

It has been gratifying to see – and be part of – the collaboration and teamwork that has been pivotal to enabling our industry to keep performing effectively, especially throughout the crises and emergencies of the past few years.

Just as we were learning to live with the constantly changing and complex logistical impacts of the COVID-19 pandemic – both from an individual and industry perspective – we were tested by devastating weather events and floods across the country.

Yet trucks kept moving, enabling communities to access essential supplies and supporting critical infrastructure projects to continue. In one particularly outstanding situation, we worked with governments and truck and rail operators to open a freight land bridge across the Nullarbor, to enable food to be transported from South Australia to Perth.

It is from experiences like this that we learn exactly what we can achieve when we all work together for a common cause. Indeed, effective partnerships will continue to be key to delivering improved safety outcomes in the future.

Using a data-driven approach to target the greatest risks

Over the last year, we have significantly matured in becoming a modern and intelligence-led regulator that focuses regulatory action towards those who pose the greatest risks to road users. Indeed, operations undertaken during the year have confirmed that data-driven, targeted operations have been more effective in detecting non-compliance than routine intercept programs.

Data is provided to our officers on the roadside in near real time, as we have streamlined the processing of large datasets from 15 minutes to under one second. This enables us to detect risks as they are happening and intervene where there is an imminent danger to public safety.

By creating a more reliable crash prediction model, we have used vehicle, defect and crash data to identify a cohort of 197 extreme-risk vehicles and operators that have a one-in-38 chance of being involved in a fatal or serious incident on any given day. This information allows us to identify the parties most likely to be responsible for breaches of the HVNL and take early preventative action.

An 'informing, educating, enforcing' approach to regulatory intervention

Across the board, we are committed to a regulatory intervention strategy that is focused on informing, educating, and enforcing. Wherever possible and appropriate, we opt for more modern education options to encourage voluntary compliance. During the year, we accepted 15 enforceable undertakings (EUs) under the HVNL as alternatives to prosecution, where we were satisfied organisational safety reform could be achieved. We also made seven successful applications to courts for supervisory intervention orders (SIOs), which addressed the offending behaviour by focusing on education and strategies to prevent the offence recurring.

We don't hesitate to take the toughest action when safety is at stake. During the year, we laid charges against 15 defendants for serious breaches of their primary duties under the HVNL.

We also began a pilot to share vehicle defect information with industry operators through the NHVR Portal. This program will expand to more operators, and include additional compliance information, such as offence information for breaches of mass limits, load restraint, fatigue requirements and off-route journeys.

Making it easier for our customers to do business

We are also continually seeking ways to increase our customers' ability to interact with us to undertake their regulatory activities more efficiently. For example, the NHVR Portal Asset module now contains information on more than 3,000 road assets, such as culverts and bridges, to help road managers make informed access decisions.

Critical to this work, during the year we continued working with industry and road managers on the NHVR National Spatial Program, which will deliver a national automated road access solution for heavy vehicles and provide a single, dynamic, national map for heavy vehicle access on all public roads.

In March 2022, we launched our Next Generation Route Planner – an important milestone in the delivery of a nationally consistent, intelligent route-planning platform for the heavy vehicle industry. The new Route Planner allows updating with real-time changes to the road network and is helping operators plot more accurate heavy vehicle routes, minimising routing errors leading to rework and reducing the time it takes to plan a journey.

In July 2021, we brought our customer Contact Centre in-house, as we considered that directly employing Contact Centre employees would enable us to provide an enhanced customer experience. This has been successful, with the Contact Centre's performance exceeding expectations and receiving a 96% satisfaction rating from customer feedback.

This is an exciting time to be leading the NHVR on its journey to becoming a modern, data-driven, risk-based regulator. Access to new technologies and innovative practices is continually changing the regulatory landscape, enhancing our ability to deliver improved productivity and safety outcomes for governments, industry and the community.

I thank the NHVR Board for supporting me on this journey and for the guidance they have provided during this challenging year. I also want to thank the NHVR team. I have been so impressed with the resilience and professionalism you have shown over the past year.

I have every confidence that we have the people, skills, systems and enthusiasm to deliver on our purpose of enabling safe and efficient heavy vehicle movements for the benefit of all.



Sal Petrocchio
CEO

ABOUT THE NHVR

We are the regulator for:

814,000+

registered heavy vehicles

- 230,000+ registered operators – 42% organisations and 58% individuals
- 6 state and territory transport authorities
- 498 road managers – 393 local government, 19 Commonwealth, state and territory government, 86 non-government³

We provide a wide range of services to our customers:

8,198

National Heavy Vehicle Accreditation Scheme (NHVAS) accredited operators⁴

- 55,000+ registered NHVR Portal users
- 465 bridge and culvert assessments completed under the SLGAAP
- 14,500+ PBS-approved combinations operating in Australia

In 2021–22, there were

143,231

road access permits issued

- 6,057 individual PBS vehicles approved
- 52,213 calls through our in-house Contact Centre
- 949,729 unique visitors to our website

³ Non-government road managers include ports, airports, toll operators, railway, forestry, utility and other third-party road owners.

⁴ The NHVAS is a voluntary scheme offering accreditation in four different modules – Mass Management, Maintenance Management, Basic Fatigue Management and Advanced Fatigue Management – for operators who have robust and auditable management systems in place.

With national headquarters in Brisbane, the NHVR is Australia's dedicated, statutory regulator for all heavy vehicles.⁵ Our establishment was agreed under an intergovernmental agreement between all Australian governments, and we formally opened for business on 21 January 2013.

Enabling legislation

The *Heavy Vehicle National Law Act 2012* (Qld) (HVNL) is described as a 'National Law', and its operation depends on its application in participating jurisdictions. This is achieved by each participating jurisdiction enacting legislation through its parliament, which applies the HVNL as one of its laws. In 2021-22, the participating jurisdictions were the ACT, Queensland, New South Wales, South Australia, Tasmania and Victoria.

Our purpose and functions are established by the HVNL, and our activities are guided by our statutory mandate. We are accountable under the HVNL to responsible Ministers from the participating jurisdictions and the Commonwealth Responsible Minister.

We work collaboratively with industry, governments and partner agencies to:

- provide leadership and drive sustainable improvement to safety, productivity and efficiency outcomes across the heavy vehicle transport sector and the Australian economy
- minimise the compliance burden, while ensuring the objects of the HVNL are achieved and duty holders meet their obligations
- reduce duplication of, and inconsistencies in, heavy vehicle regulation across state and territory borders.

Our core services and activities

We deliver a comprehensive range of services to the heavy vehicle industry and other stakeholders, and undertake a range of information, education and enforcement activities, under a consistent regulatory framework. These include:

- administering and securing compliance with fatigue management requirements under the HVNL
- investigations and prosecutions relating to compliance with the HVNL
- National Driver Work Diaries
- national exemption notices
- NHVAS management and accreditation
- on-road safety, compliance and enforcement

- PBS vehicle design and access approvals
- provision of regulatory and safety information and guidance
- heavy vehicle road access permit application processing
- heavy vehicle standards, modifications and exemption permits.

Some state and territory road transport authorities and other government agencies deliver various frontline services on our behalf. These arrangements are formalised through service agreements and appropriate delegations.

Our people

As at 30 June 2022, we employed 482 people across the ACT, Queensland, New South Wales, South Australia, Tasmania and Victoria, 15.5% of whom worked in on-road roles. When regulatory responsibilities are transferred to the NHVR from the current New South Wales regulator in August 2022, the NHVR workforce will increase by approximately 70%.

We are committed to providing a safe and healthy environment for our employees, and encourage their development through training and professional development programs.

See page 37 in the *Regulatory capability* section of this report for more details.

Our customers and stakeholders

We have a very broad stakeholder base, which includes, but is not limited to:

- the heavy vehicle road transport industry and its supply chain
- industry associations
- state and territory transport authorities
- local governments and local government associations
- non-government road managers
- police agencies
- our current and prospective employees and contractors
- the community.

See the *Engaging with our stakeholders* section of this report on page 40 to read about how we engage with our stakeholders.

Challenges and risks

We appropriately manage our key strategic challenges and risks, which relate to:

- providing access certainty and consistency to achieve improved efficiency and productivity outcomes for industry

- implementing a risk-based, nationally consistent, more effective and less prescriptive regulatory environment
- effective harmonisation of NHVR and state and territory safety agendas
- further developing and applying valid and relevant datasets
- delivering a coordinated national approach to the use of technology and data
- building an improved understanding of infrastructure capacity to handle the increasing freight task
- empowering industry participants to deliver behavioural and organisational cultural change that leads to continuous improvement in safety
- effectively engaging with our geographically dispersed workforce
- ensuring we have the right skills and capabilities to deliver for the future by investing in our people.

Opportunities

We seek to leverage the following opportunities:

- Deliver a modern regulatory approach that empowers industry and the supply chain to embrace a positive safety culture.
- Continue advocacy through the HVNL Review for a simplified, easy-to-understand and harmonised national law to better meet industry needs.
- Partner with regulatory, police and other enforcement agencies to deliver a fair, effective and consistent national approach to compliance activities.
- Acquire, share and use data to target the greatest safety risks and keep safe operators moving.
- Positively influence and support road managers to improve network access for safer and higher productivity vehicles.
- Break down barriers to deliver a safer national fleet and improve infrastructure planning, including rest stops.
- Embrace and encourage the adoption of innovative technology solutions that will deliver improved safety and productivity outcomes.
- Educate the broader community on the importance of shared responsibility for road safety.
- Continue to deliver a workplace culture that attracts, engages and retains capable, experienced and professional people.

⁵ Individual Australian state and territory governments have responsibility for the transport of dangerous goods by road.

OUR PERFORMANCE

In this Annual Report, we have measured our performance against the following four HVNL key objectives:



SAFETY

Promote public safety.



PRODUCTIVITY

Promote industry productivity and efficiency in the road transport of goods and passengers by heavy vehicles.



SUSTAINABILITY

Manage the impact of heavy vehicles on the environment, road infrastructure and public amenity.



REGULATORY CAPABILITY

Encourage and promote regulatory capability through productive, efficient, innovative and safe business practices.



OBJECTIVE 1

SAFETY

As a modern, risk-based regulator, we use data-driven intelligence to identify and target the greatest safety risks relating to heavy vehicles.

By using the right blend of information, education and enforcement, we aim to create positive change in the industry's safety culture and the individual behaviour of all road users, to reduce the likelihood of crashes, fatalities and serious injuries involving heavy vehicles.

National Performance Measure 1

Fatalities and injuries across the industry and its supply chain reduce through increased compliance with safety requirements and adoption of key Safe System principles.

Safety Strategies

Position the NHVR as the national leader in heavy vehicle safety.

Deliver improved and measurable safety outcomes, targeting the greatest safety risks.

Performance Standard	Performance Indicators	2020-21	2021-22		Target met	Page	
		Result	Result	Target			Performance against target
Fatalities and injuries across the industry and its supply chain reduce through increased compliance with safety requirements and adoption of key Safe System principles.	Rate of recidivist offending ⁶	1.74%	1.94%	5%↓	11.5%↑	⊗	14
	Number of supply chain prosecutions ⁷	15	15	10%↑	0%↑	⊗	17
	Number of improvement notices issued	8	10	20%↑	25%↑	⊙	18
	Number of operators accredited in the NHVAS	8,005	8,198	5%↑	2.4%↑	⊗	18

Taking a collaborative approach to our safety priorities

In November 2021, we released our NHVR *Heavy Vehicle Safety Strategy 2021-2025* (HVSS) and supporting 2021-2022 Action Plan.

The HVSS was developed in consultation with a wide range of government representatives, industry participants and safety advocates. It is underpinned by our common purpose, which is to achieve better heavy vehicle safety outcomes, and reduce the number of crashes, fatalities and serious injuries involving heavy vehicles.

The HVSS is closely aligned with the Office of Road Safety's *National Road Safety Strategy 2021-2030* and contains three guiding themes:

- Create positive change in individual behaviours and culture to improve safety.
- Drive uptake of a modern, safer heavy vehicle fleet that reduces the likelihood and impact of crashes.
- Influence road network design and use to support road safety.

Our annual HVSS action plans outline the activities and projects that support the delivery of the HVSS. Key initiatives we delivered under the 2021-2022 Action Plan included the following, each of which is further discussed in the Safety or Productivity section of this report:

- Delivering improved and more accessible Safety Management System (SMS) material for industry.
- Encouraging the uptake of AFM through new and clearer guidelines and direct engagement with transport companies.
- Helping industry to develop and put in place sector specific Codes of Practice.
- Supporting safe heavy vehicle access through infrastructure assessments and development of assessment tools for road managers under the SLGAAP.
- Providing road managers with education and information.
- Conducting intelligence-led national road safety operations alongside regulatory and enforcement partners.

Focusing our efforts on highest risk operators

As we mature in our intelligence-based approach to safety and compliance, we are increasingly able to target those operators and vehicles on our roads that pose the greatest safety risk.

Most of the offences detected by our on-road Safety and Compliance Officers (SCOs) through the 15,825 routine intercepts they undertook during 2021-22 related to mechanical, fatigue and load non-compliance. We were able to drill down into the data yielded by these intercepts to identify drivers who had committed the same offence under the HVNL more than once during the year, finding a driver recidivism rate of 1.94% – an increase from 1.74% in 2020-21.

From this, we could identify nine priority operators that might require help understanding their compliance obligations and, consequently, we began to implement our Operator Risk Strategy. Our SCOs visited these operators to work with them to improve their SMS and compliance processes, and we are now monitoring them to see whether their recidivist behaviour improves.

In 2022-23, the second stage of our Operator Risk Strategy will be directed at operators who have not improved their recidivist behaviour after an education intervention.

Our Heavy Vehicle Confidential Reporting Line (HVCRL) is the first port of call for anyone in the heavy vehicle supply chain to report operational safety issues relating to heavy vehicle transport activities. In 2021-22, we received a total of 1,692 calls to the HVCRL, which led to 842 reports being investigated.

All calls are assessed and, where they relate to the HVNL, the information received is analysed and stored in the NHVR National Intelligence Database. The actions arising from these calls can include referral to jurisdictional enforcement or police agencies, or our on-road operations for direct compliance action, internal investigators for further investigation, or other internal NHVR business units, such as stakeholder engagement, for follow-up.

⁶ Heavy vehicle drivers who have reoffended during the 12-month period for the same category of harm under the HVNL, including all regulatory outcomes – formal warnings, education, infringement and breach notices, and directions.

⁷ Number of defendants charged under Chapter 1A of the HVNL in courts of participating jurisdictions.



Our SCO team in training at Murray Bridge, South Australia.

51 national and regional operations undertaken

The health, safety and wellbeing of our on-road operations team and the heavy vehicle industry are always high priorities for us. By adhering strictly to carefully designed WHS procedures, NHVR processes and government guidelines, we were able to safely undertake our operations and intercepts, while mitigating the risks posed by the ongoing COVID-19 pandemic.

During the year, we undertook 20 targeted regional operations with police and other regulatory agencies in the ACT, South Australia, Tasmania and Victoria, with improved outcomes from broader, more efficient use of resources, expertise, data and intelligence. We also conducted 27 targeted, intelligence-led local NHVR operations in these jurisdictions, focusing on specific localised risks. In addition, we led four national operations, including the National Roadworthiness Survey (NRS:2021), Operation Rickenbacker, Operation Pearl and Operation Precision.

National Roadworthiness Survey shows significant improvement in national fleet mechanical condition

In May 2021, we began the three-month-long NRS:2021 across all states and territories to gain a comprehensive assessment of the mechanical condition of the national heavy vehicle fleet. This was the second national survey of its type, with the first – the National Roadworthiness Baseline Survey (NRBS:2016) – conducted in 2016.

During NRS:2021, authorised officers and transport inspectors inspected 8,338 vehicle combinations – comprising 13,325 units – across all states and territories, to gain a better insight into the mechanical condition of Australia’s heavy vehicle fleet. This was a 20% increase in units from NRBS:2016.

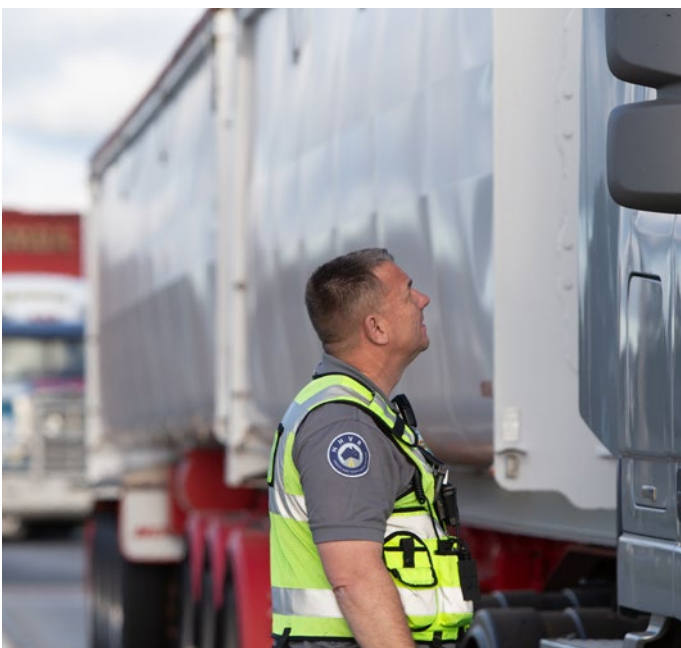
Vehicles were inspected at roadside checkpoints or in depots, and included rigid trucks, semitrailers, B-doubles, road trains, buses and Special Purpose Vehicles (SPVs).

Every vehicle was subjected to a comprehensive visual inspection and a roller brake test, based on the *National Heavy Vehicle Inspection Manual* (NHVIM) (see page 20). Use of registration data, roadside data capture technology and coordinated inspection methodologies reduced average inspection times from 45 minutes in NRBS:2016 to just 31 minutes – equating to a 2,000-hour improvement to the productivity impact of this operation on industry.

The results of NRS:2021 showed a significant improvement in the roadworthiness of the Australian heavy vehicle fleet, with the overall national non-compliance rate improving from 48% in NRBS:2016 to 31%. Fixed rigid heavy vehicles remained the vehicle class with the highest non-compliance at 38%; however, this was down from 52% in NRBS:2016. Brakes were the component with the highest level of non-compliance.

The average age of inspected vehicles was 10.2 years, up from 9.2 years in NRBS:2016. We found a strong correlation between the age of a unit and the incidence of non-conformity. Freight hauling units showed the greatest increase in non-conformity with age – at 14% for vehicles less than three years old to 53% for those aged 12 years or more.

All inspection data gathered through NRS:2021 has been stored in our electronic data warehouse to enhance the mechanical safety risk profiling of vehicles and operators.



South Australian SCO David conducting an intercept.

In response to the predicted record grain harvest, we conducted a targeted operation – Operation Rickenbacker – across Queensland, New South Wales, South Australia, Victoria and Western Australia from September 2021 to January 2022. The operation involved key proactive and reactive activities to: engage with industry; provide information on identified risks; and, subsequently, conduct on-road and off-road (for grain receivers) compliance activities, targeting mass, loading and mechanical safety to establish baseline compliance information. On-road compliance activities were, however, limited due to COVID-19 border management duties impacting jurisdictional and police staffing availability.

Our key findings were as follows:

- The overall national non-compliance rate was approximately 45%, which was considered relatively high.
- Mechanical safety was the highest category of non-compliance.
- Heavy vehicle mass non-compliance was evident across the grain industry – for both participants and non-participants in the Grain Harvest Management Scheme – with off-road compliance activities generally proving more effective in identifying this.

Operation Pearl, conducted in December 2021, confirmed that data-driven targeted operations are more effective in detecting higher rates of fatigue non-compliance than our routine intercept programs. This national fatigue operation used data generated by our Fatigue Risk Engine to identify high-risk deployment dates, times and locations (see page 35 for more information about our risk profiling).

Overall, the fatigue non-compliance detection rate in Operation Pearl was 7.4%, compared to 5.5% through our routine intercept programs. Additionally, Victoria's camera sightings data appeared to contribute to higher detection rates of fatigue non-compliance, with a rate of 17.2% detected during the operation through those data sources.

Again taking a data-driven, risk-based approach, we conducted Operation Precision from May to June 2022, focusing on heavy rigid vehicles, which were identified in NRS:2021 as the highest risk category for mechanical issues. For this operation, we concentrated on mass, loading and mechanical safety in the construction industry heavy vehicle fleet, as this fleet predominantly comprises heavy rigid vehicles.

Operation Precision saw participation from across all jurisdictions and policing agencies, except the Northern Territory, with more than 4,500 intercepts conducted. Initial findings showed an overall non-compliance rate of approximately 30%, with mechanical safety the highest non-compliance category detected at 26%. Pleasingly, this overall non-compliance rate was lower than the 38% detected for heavy rigid vehicles in NRS:2021.

Identifying safety risks through fixed and mobile camera technologies

The National Safety Camera Network (NSCN) expands our national heavy vehicle monitoring capability, adding Automatic Number Plate Recognition (ANPR) cameras to existing networks, and improving identification and visibility of heavy vehicle movements across borders. It is one of the cornerstone data-collection mechanisms for the Safety and Compliance Regulatory Platform (SCRIP) (see page 35), enabling better targeting of higher risk operators and vehicles to optimise compliance and education activities.

The NSCN is the only system to capture data from across the country, combining data from 120 camera sites covering more



Testing of the new NHVR drone – one of our new mobile ANPR camera devices – in South Australia.

than 5,800 kilometres across five jurisdictions, with an average of around 3.8 million sightings per month.

Since 2017, cameras have been installed at 16 priority locations in the ACT, Queensland, South Australia and Victoria. Installation at four sites in Western Australia is expected by the end of 2022.

In Round 5 of the HVSI, we received funding from the Australian Government to test new mobile ANPR camera technologies to facilitate the monitoring and intercepting of high-risk operators, vehicles and journeys through increased vehicle sightings.

In October 2021, we awarded a contract to a company specialising in artificial intelligence (AI) sensor systems to help us undertake a trial of these technologies across metropolitan and regional South Australia, Tasmania and Victoria, to test their technical and regulatory performance.

The three-month trial took place in the first half of 2022, and involved the deployment of cameras mounted on a drone, two vehicles and two solar-powered trailers. The mobile cameras were integrated with our Regulatory Compliance Mobility Solution (RCMS), and locations were strategically selected to achieve optimal road safety outcomes by detecting weighbridge and enforcement avoidance and intercepting high-risk journeys.

The trial will continue until September 2022, when we will conduct a full evaluation; however, our early findings are that, when positioned appropriately at known high-risk areas, these mobile cameras will be a valuable contributor to enhanced road safety outcomes.

Sharing data to enhance our risk and intelligence capabilities

Since April 2021, we have been collaborating with South Australia Police (SAPOL) to establish a data-sharing model between our two organisations to enable better safety and compliance outcomes.

Through this Data-Sharing Project, SAPOL will be using the NHVR RCMS side by side with their existing programs to harness its information and intelligence capabilities, and we have already begun to train their officers in its use.

SAPOL will be sharing with the NHVR new datasets, including SAPOL's crash, expiation and arrest data. These will ultimately be integrated into our risk and intelligence capabilities to further enhance our risk-based approach to regulation.

We are now working towards introducing similar data-sharing arrangements with other police agencies and will be starting a project with Victoria Police in September 2022.



CASE STUDY

Tailoring penalties to deliver industry safety benefits

In February 2022, we accepted two EUs from two very different operators for mass breaches in 2020, demonstrating how this alternative to prosecution can be effective in the case of sole operators all the way to multimillion dollar companies.

Equipment rental hire company Pacific Hire Wangaratta exceeded the prescribed twin steer axle mass limit of 11.0 tonnes of one of their vehicles with an alleged mass of 15.4 tonnes. In its EU, the company committed over \$54,000 towards education initiatives to rectify its safety breaches – a considerable investment that could not have been achieved through a court fine.

Pacific Hire's EU commitment included delivering a downloadable load restraint driver training handbook to be made publicly available, training its staff in load restraint requirements and the safe stowing of high-risk equipment, and holding biannual SMS audits and monthly toolbox meetings.

The same month, we accepted our first EU from a sole trader. A Victorian farmer was found to have failed to comply with his vehicle's mass requirements when transporting potatoes. The steer axle of his vehicle weighed 8,850kg – 147% of the permitted mass of 6,000kg.

We determined that more safety benefits would be achieved from an EU, for both the farmer and the wider farming industry. The \$2,000 EU required the farmer to complete a personalised mass management course and share his learnings with the farming community in a paid advertisement in Seed Potatoes Victoria's annual *Seed Buyer's Guide*, which is distributed throughout Australia.

Delivering appropriate responses to offences

During the year, we finalised 780 prosecution matters across the ACT, South Australia, Tasmania and Victoria. Collaborative partnerships with internal investigators and external investigative bodies – and increasing the number of NHVR senior and principal prosecutors to enable a higher caseload – helped us lay charges against 15 defendants for various breaches of primary duties under the HVNL as a party in the Chain of Responsibility (CoR).⁸ This was consistent with the number laid in 2020–21. Defendants

comprised operators, consignors, prime contractors and executives, and charges laid were in all participating jurisdictions.

In addition to the 15 charges commenced, 10 other primary duty matters were referred to our Prosecutions team for consideration. For seven of these there was insufficient evidence to start proceedings and they were sent back to the investigator, and three were managed by way of an improvement notice in lieu of a prosecution at the discretion of the investigator. (See page 18 for more about improvement notices). We also lodged two Supreme Court appeals in primary duty matters.

We will continue to focus our efforts on those executives, operators and third-party supply chain participants who create a safety risk by failing to comply with their primary duties.

In August 2021, we received a brief of evidence from Victoria Police in relation to the deaths of four Victoria Police officers on the Eastern Freeway in Melbourne in April 2021. The company and its directors have each been charged in relation to alleged breaches of the primary safety duty, and for failing to reduce and/or eliminate the risk to the company drivers and members of the public. As at 30 June 2022, the prosecutions against the company and its directors were all before the Local Court in New South Wales. These prosecutions, in collaboration with Victoria Police, are the most significant and complex primary prosecutions undertaken so far under the HVNL.

We continued to negotiate EUs as an alternative to prosecution in the event of an alleged contravention of the HVNL. In 2021–22, we saw a considerable increase in applications for, and acceptance by us, of EUs. We accepted 15 from companies and individuals, compared to two in 2020–21.

One of the more significant EUs we accepted was from Lindsay Transport Pty Ltd, for failing to ensure the safety of its transport activities after an NHVR investigation into the death of one of its drivers. Lindsay Transport committed to five initiatives in relation to the contravention, with an estimated total cost of between \$590,000 and \$750,000. The commitments in the EU include producing a driver-focused education platform addressing risks in the heavy vehicle industry, and funding independent research into medical and health issues experienced by heavy vehicle drivers.

We also focused on applications for SIOs. A court may make an SIO if it believes the person to be, or likely to become, a systematic or persistent offender under the HVNL. In 2021–22, there were seven successful applications, compared to just one in 2020–21. They included matters relating to breaches of primary duties, fatigue, mass and maintenance obligations.

⁸ The most serious offences under the HVNL relate to the primary duty imposed by section 26C in Chapter 1A – the duty on each party in the Chain of Responsibility for a heavy vehicle to ensure, so far as is reasonably practicable, the safety of the party's transport activities relating to the vehicle.

Prioritising incidents of serious harm through our investigations

Our investigations continue to focus on serious criminal offences committed by executive officers and companies under the HVNL, prioritising incidents where fatalities or serious injuries arise from crashes involving heavy vehicles. This helps families and friends of the deceased get some closure in relation to these incidents, and appropriately allocates legal accountability for unsafe practices.

We are building and maintaining strong relationships with police and other road agencies, including joint incident assessment, triaging systems, and operational responses with a specific focus on offences with an interstate element.

During the year, we issued 10 improvement notices to legal entities, including companies and operators, for contravening provisions in the HVNL. This met our targeted 20% increase for the year.

Improvement notices direct a company to modify its behaviour to ensure it complies with the HVNL. Failures to comply during the year included such matters as not having effective policies and procedures around driver fatigue, speeding, vehicle maintenance or load restraint, or were related to poor training, induction or supervision of staff.

We monitor the improvement notices we issue to ensure the necessary changes or improvements are being made.

Going to court webpage

We acknowledge that going to court can be a daunting process. During the year, we published a 'Going to court' page on our website (nhvr.gov.au/law-policies/prosecutions/going-to-court) to help our customers navigate their way through legal proceedings. The page advises customers on what their obligations are before, during and after a court appearance, with specific information for each state and territory. It also provides links to the legal services offered by the courts in their jurisdiction.

Continued growth in NHVAS participation

Participation in the NHVAS grew by 2.4% during the year – from 8,005 operators in 2020–21 to 8,198 in 2021–22. The challenges faced by industry due to the COVID-19 pandemic, as well as the removal of the maintenance condition from South Australian Restricted Access Vehicle (RAV) requirements, both affected the rate of growth.

Pleasingly, operators accredited in Basic Fatigue Management increased by 5% to 2,726 and in AFM by 16% to 89 (see Tables 4 and 5 on page 68 in Appendix B for more detail).

We continued to support NHVAS members through the COVID-19 pandemic by putting in place temporary arrangements to enable remote audits where required, as well as extending the time allowable for the renewal of driver medicals.

We also undertook considerable work to ensure the NHVAS is delivering a balanced regulatory approach to operators in line with our compliance and prosecutions functions.

We are working with the TruckSafe Industry Accreditation Council to investigate common auditing approaches to both help industry and inform the development of a national auditing standard as part of the HVNL Review.

63 operators learn more about their fatigue choices through outreach program

Recent industry research has shown that, during 2021, fatigue crashes continued their long-term decline, with the lowest ever proportion of large losses caused by fatigue.⁹ We remain encouraged by these findings and have continued to build on growing industry awareness, providing expert advice, and publishing a range of information resources to support industry to better manage driver fatigue.

Our research has shown that AFM-accredited operators on average have a better safety culture maturity, greater compliance with fatigue management requirements and lower crash rates than non-accredited operators. To support continued growth in AFM accreditation, we maintained momentum with the Fatigue Choices outreach program, despite the year's COVID-19 travel restrictions.

We held our tailored one-on-one consultations with operators online to help them understand how to access more flexible work and rest hours by properly managing the risks of driver fatigue. Operator-driven interest in learning more about how to achieve greater flexibility and driver safety in their business has been higher than ever. Through the outreach program, we met with 63 operators from locations across Queensland, New South Wales, South Australia, Tasmania and Victoria.

Feedback from the meetings was very positive, with an almost 100% satisfaction rating received from the respondents who completed the post-meeting survey, 77% of whom said they were likely to apply for AFM in the future.

Work will continue in 2022–23 to make more improvements to better support industry to safely manage driver fatigue risk in their business, including providing more tailored work and rest schedule options.

CASE STUDY

MPK saves up to \$1 million a year through AFM accreditation

MPK Plant and Logistics became accredited in AFM during 2021–22, after participating in the previous year's Fatigue Choices program.

“With the Fatigue Choices Program, and assistance from the Fatigue Management Team at the NHVR, MPK was able to build a fatigue management program that worked for both parties, to help improve productivity, while also maintaining a high level of safety for heavy vehicle drivers.

Our NHVR-approved AFM work/rest options have increased our level of productivity through the reduction of idle capacity of manpower and vehicle fleet by some 500 to 700 shift cycles per year, depending on the project.

To put that into perspective, that equates to approximately \$600,000 to \$1 million per annum in productivity improvements.”

Bruce Adams, Plant and Logistics Compliance Advisor, MPK

⁹ National Transport Insurance and National Truck Accident Research Centre, *NTI NTARC – Major Accident Investigation 2021 Report*, 2021.



Principal SCO Andrew and Senior SCO Wayne using the RCMS at an intercept point.

Taking the lead on the future of fatigue management

During the year, we delivered presentations focused on fatigue and human factors at national and sector-specific forums, including the Institute of Public Works Engineering Australasia's Fleet Management Workshop, Trucking Australia 22 conference, Australian and New Zealand Society of Organisational Medicine annual conference, and the National Safety Council of Australia's Future of Work: People, Safety Culture Conference. We also provided fatigue-related safety input into national reform agenda work arising from the HVNL Review, and Austroads' Safety Task Force and Registration and Licensing Task Force.

We have established a Fatigue Risk Management Standard (FRMS) Project to work with industry and regulators to build a new Fatigue Risk Management Standard for Road Freight and Logistics in Australia. An FRMS Project Advisory Panel, comprising representatives from industry and transport and police agencies, has been established to provide advice and input into the project.

In the year ahead, we intend to expand the project scope to incorporate performance-based fatigue risk management into the HVNL Review.

Sharing data on fatigue and distraction technologies

During the year, we implemented the Fatigue and Distraction Detection Technology (FDDT) Data project, forming data-provision agreements with nine heavy vehicle operators and a company that provides commercially available FDDT products and services to the industry.

Through this work, we have been able to provide these operators with analysis of trends in, and insights into, the prevalence of fatigue to enable improved management of individual driver fatigue within their businesses. This work will continue with industry, with a view to expanding the data-sharing to more operators.

8 Electronic Work Diaries now available

In 2021-22, we approved seven applications from Electronic Work Diary (EWD) providers for new electronic recording

systems or additional mobile devices on existing approved systems. A total of eight are now being sold commercially for use by heavy vehicle drivers in place of National Driver Work Diaries.

The greater the number of approved devices that can be provided, the more options people have to use an EWD. Important milestones during the year were the approval in November 2021 of the first EWD to operate on Apple iOS devices, and the approval of the first 'device-agnostic' EWD in June 2022.

Generally, EWD approval holders are reporting good product market fit and growing demand. We are now working with technology providers to develop innovative ways to encourage increased uptake of EWDs.

Assuring our outsourced regulatory functions

During the year we continued delivering our external-facing safety assurance program for key areas where regulatory functions are carried out, in accordance with the HVNL, with our authority by third-party providers; however, activities were impacted by COVID-19-related travel restrictions.

Despite this, we completed assurance audits of most PBS assessors and will be auditing the remainder, as well as PBS certifiers, in 2022-23.

Audits of PBS assessors conducted during the reporting period showed a sound understanding of the fundamental components of a Quality Management System (QMS). We found that assessors were implementing their QMS in very different ways, depending upon the size and complexity of their business; however, none were found to be inconsistent with the intent of the requirements.

We also began a program of on-site, physical audits of NHVAS operators during the reporting period. Through this initial round of 'spot checks', we were able to start identifying trends and establishing baselines across a very diverse group of operators, particularly with regard to how they were addressing the changes to the NHVAS Business Rules and Standards that took effect from February 2021.

These audits of NHVAS operators will continue in 2022-23, when we also plan to roll out an assurance program for EWD providers.

Supporting industry to manage their safety risks

We recognise that information, education and the encouragement of better safety management practices are fundamental for a safe, efficient and productive transport industry. We are therefore keenly focused on supporting industry to identify and understand both existing risks and emerging ones, and clarifying our expectations of how these can be addressed under the primary safety duty.

SMS 9 Step Road Map

During the year, we overhauled our suite of SMS materials to focus on providing tools to operators to make an SMS part of their day-to-day business, and encourage them to hold important safety conversations with their employees and customers.

Central to this was our new online 9 Step SMS Roadmap (nhvr.gov.au/sms), released in August 2021, which guides the user through the process of developing an SMS, with content targeted at mitigating key safety risks. It can be tailored for companies that are just starting out, improving on existing systems, or seeking continuous improvement.

The roadmap provides free-to-use simple templates, quick guides and toolbox talks that can be tailored to suit business needs, regardless of the size of the operation.

In June 2022, we launched our third NHVR Industry Safety Survey. These surveys enable us to gain a valuable insight into: safety systems across the heavy vehicle industry; take-up of heavy vehicle safety technologies; and awareness and use of our SMS guidance materials. We will use the survey results to focus our future support for industry through information, education and safety initiatives.

Regulatory Advice Program

During the year, we increased our focus on providing safety information to the industry, with the introduction of a Regulatory Advice section on the 'Chain of Responsibility' page on our website at nhvr.gov.au/regulatory-advice

We published nine pieces of Regulatory Advice during the year – each intended to improve industry's understanding of potential risks associated with different types of transport, or different areas of the transport task, to ensure these can be considered when assessing and managing transport activity risks. Each was developed in consultation with industry.

Each piece of advice addresses a specific topic, such as prohibited requests and contracts under the HVNL, managing the risks of undertrained workers, managing the risks of heavy vehicle transport activities in the construction industry, and managing the safety risks of light to medium heavy vehicles.

We will continue to roll out our Regulatory Advice Program throughout 2022–23.

National Heavy Vehicle Inspection Manual

In October 2021, we released the third edition of the NHVIM, following its scheduled five-year review and extensive industry consultation. The manual provides authorised officers, vehicle examiners and operators with a consistent set of criteria when conducting heavy vehicle inspections, ensuring a national approach to the management of vehicle safety.

Updates to the manual included new inspection criteria for recently implemented vehicle standards, as well as some minor amendments to existing criteria, so that it covers both new and existing heavy vehicles.

Safety Bulletins

In October 2021, we released a Safety Bulletin on the operation of articulated cranes to highlight the unique handling and operational characteristics of these vehicles. The bulletin provides advice on the specialised inspection, licensing and driver training requirements that should be considered to ensure the safe operation of these vehicles on roads.

In March 2022, we released a *Post flooding safety check* bulletin to help operators assess the safety of their vehicle after it has driven through water, mud or debris, or on route diversions onto dirt/mud roads. The bulletin covers common areas of focus when operating in a wet environment – such as, checking for leaks, brakes, the rapid component cooling, and electrical systems.

Vehicle Standards Guides

Vehicle Standards Guides (VSGs) are a useful tool for explaining complex requirements, or providing guidance and advice, on a range of issues about heavy vehicle standards and modifications. There are currently 32 VSGs published on the NHVR website. During the year, we reviewed 12 of these for currency and completeness, with six of them updated and republished. Additionally, we published three new VSGs.

Leading a collaborative approach to developing Codes of Practice

In 2021–22, we changed our approach to the development of Registered Industry Codes of Practice (RICP). Such codes are provided for under the HVNL. The codes provide industry-specific information to parties in the CoR about the risks associated with heavy vehicle transport, and recommend a range of measures that can be implemented to eliminate or minimise those risks. Registered codes have standing in court proceedings.

In February 2022, we published new *Guidelines for Preparing and Registering Industry Codes of Practice*, which outline our collaborative approach with industry groups who identify the need for a RICP in their sectors. We now have two Code Development Officers who liaise with industry groups, manage a working group and draft new codes.

In June 2022, we registered and published the Tasmanian Agricultural and Horticultural RICP – a code largely developed under the former guidelines but drafted using our new template.



The Tasmanian Agricultural and Horticultural RICP was published during the year.

The code was developed by the Tasmanian Farmers and Graziers Association – the peak body representing the interests of Tasmanian farmers at a state and national level – following consultation with a wide range of industry participants.

Draft codes for livestock effluent management, the crane industry, log haulage, and the waste and recycling industry, which were initiated under the previous guidelines, are being revised to align with the requirements of the new guidelines. We are also considering the value of a livestock loading code of practice, as part of a broader review of the livestock transport sector.

A wine RICP is likely to be the first code of practice developed in its entirety under the new guidelines. The South Australian Wine Industry Association (SAWIA), funded in part by an HVSI grant, is undertaking consultation on a national scale. During 2022–23, we will partner with SAWIA at industry meetings in New South Wales and Victoria.

Next year, in addition to starting new code projects, we will begin a review of the Master Code of Practice. This was the first code registered under the HVNL and is due for its five-year review by November 2023. The Master Code is widely used and recognised by industry as authoritative advice for complying with the primary duty and improving safety.

Disabled speed limiter risks reinforced through industry safety education campaign

In September 2021, we released a targeted education campaign focused on the safety risks caused by remapped engines with disabled speed limiter controls.

Recent compliance checks in New South Wales indicated that up to 10% of all heavy vehicles were operating with illegally remapped engines.¹⁰ Tampering with manufacturers' speed limiter settings makes a vehicle non-compliant with the HVNL, and puts truck drivers and the public at greater risk of harm on our roads.

The eight-week campaign ran on billboards, in trade media and on our social media platforms, reaching more than 4.8 million impressions on social media alone.¹¹ The campaign directed over 48,000 click-throughs to the dedicated microsite (nhvr.gov.au/engineeremapping) and received broad coverage by industry media.



Billboards were one of the ways we delivered our speed limiter tampering safety message.

¹⁰ Transport for New South Wales heavy vehicle compliance checks 2019–2021.
¹¹ The number of times our social media posts appear in our followers' news feed.



NHVR Stakeholder Engagement Officer Simone Reinertsen and Coles Supply Safety & Sustainability Specialist Maddy Allen sharing the *We Need Space* message with motorists at Coles Express Truganina in Victoria.

We Need Space continues to reach key audiences

During the year, we continued to promote our *We Need Space* road safety campaign. For the past couple of years, more than 30 Coles trailers carried by Linfox and Toll have served as giant, travelling billboards in metropolitan Queensland, New South Wales and Victoria, displaying *We Need Space* messaging urging road users to stay out of truck blind spots, learn how to overtake trucks safely, and avoid overtaking turning trucks.

During 2021–22, we partnered with Supercars to show our community service announcements – fronted by Supercars Champion Garth Tander and featuring Toll and Linfox drivers – on screens at major Supercars events during the 2021 season and through digital advertising in their e-newsletters.

In addition, knowing our social media audience mainly comprises heavy vehicle industry participants, from July to August 2021 we rolled out a promotional campaign outside our own channels, targeting our primary audience for this campaign of light vehicle drivers.

This campaign used Meta advertising capability to target messaging towards audiences who engaged with Coles or Garth Tander, and who had been identified as commuting to work via car. The aim was to reach as many people as possible in this audience and to raise awareness of the overall *We Need Space* message. The campaign saw over 1.8 million impressions, more than 6,000 clicks to the *We Need Space* web page, and well over 100,000 users watching the educational videos in full. This was the first time we have run a campaign of this nature, and the results were above industry benchmarks.

We are also building on our partnership with Coles, by starting to deliver our *We Need Space* messages through information days at Coles Express service stations.



A UQ student at O-Week experiencing a truck driver's perspective through virtual reality goggles.

CASE STUDY

New road safety campaign targets young learner drivers and P-platers

In January 2022, we launched our second major public road safety awareness initiative – the HVSI-funded *Don't #uck With A Truck* campaign, specifically targeting young learner (L) and provisional (P) licence holders. The campaign explains how to drive safely around trucks, particularly when trucks are turning or stopping, or when overtaking one.

We produced a series of videos featuring L- and P-platers sitting in the passenger seat of a tautliner truck provided by Qube Logistics and driven by NHVR Contact Centre Officer and part-time heavy vehicle driver, Mark Rodrigues. Over the course of the filming, our young drivers realised the risks their driving posed to trucks and other road users. This was a significant change from their original view – that it was trucks that were presenting a danger to them. Visit nhvr.gov.au/dontmuckwithatruck for more information.

To delve deeper into young drivers' knowledge, we commissioned a survey of 500 L- and P-platers aged 16 to 25 to find out what they knew about driving safely around trucks.

The results showed that only 45% of respondents were aware they should stay back behind a truck when it was turning, and only 30% knew they should make sure they could see a truck's headlights in their rear-view mirror before pulling back in after overtaking.

We promoted *Don't #uck With A Truck* online on Facebook, Instagram, Snapchat, TikTok and YouTube, on billboards and at University of Queensland (UQ) orientation week (O-Week).

The campaign reached 888,246 drivers aged 18 to 25 on Facebook and Instagram. The Snapchat campaign received similar results, with close to 625,000 video views.



Young L- and P-platers discovering the things they didn't know about how to safely share the road with a truck.



Our Executive Director Corporate Affairs Michelle Tayler and CEO Sal Petrocitto visiting our UQ O-Week *Don't #uck With A Truck* display.

Our 2022–23 safety deliverables

In the year ahead, we will:

- Undertake data-sharing with police agencies to deliver a more consistent approach to on-road compliance.
- Implement a mix of mobile and fixed camera technologies, only where proven to have effective safety benefit.
- Continue to roll out a proactive compliance program to help address identified safety risks among operators and supply chain parties.
- Implement reforms from the Commonwealth Safer Heavy Freight Vehicle Reforms package to facilitate uptake of safer and more efficient vehicles.
- Deliver the identified initiatives in the Heavy Vehicle Safety Strategy Action Plan 2022–2023.
- Deliver the next suite of SMS guidance materials based on industry feedback.
- Undertake assurance checks of providers carrying out regulatory functions on behalf of the NHVR.
- Promote the uptake of safer and more flexible fatigue risk management options through the Fatigue Choices program.
- Develop, review and maintain regulatory advice for industry that supports understanding of, and compliance with, the HVNL and primary safety duty.
- Deliver, review and maintain sector-specific Industry Codes of Practice.
- Partner with state and territory transport departments to develop consistent information and educational material for light vehicle drivers about safely sharing the road with heavy vehicles.



OBJECTIVE 2

PRODUCTIVITY

Australia's rapidly expanding road freight task is placing increased pressure on the freight network, challenging the heavy vehicle industry to ensure goods are transported in the most cost-effective manner.

We are working collaboratively with industry and governments to support and facilitate a national approach to addressing this growth, by using data, technology, policy and innovative practices to deliver productivity outcomes for transport authorities and industry.

By providing a more complete picture of infrastructure condition and network demand, we are helping road managers to make access decisions and participate in alternative access arrangements, cutting through the red tape for industry.

National Performance Measure 2

Network connections for heavy vehicles improve, and the administrative burden on operators and road managers reduces due to fewer permit requirements.

Productivity Strategy Deliver greater and timely road network access certainty and increased productivity for the heavy vehicle industry.

Performance Standard	Performance Indicators	2020-21	2021-22		Target met	Page	
		Result	Result	Target			Performance against target
Network connections for heavy vehicles improve, and the administrative burden on operators and road managers reduces due to fewer permit requirements.	Number of national notices issued ¹²	13	18	10%↑	38%↑	✓	24
	Number of new notices issued ¹³	29	32	10%↑	10%↑	✓	24
	Number of road manager pre-approvals ¹⁴	330	304	10%↑	7.9%↓	✗	24

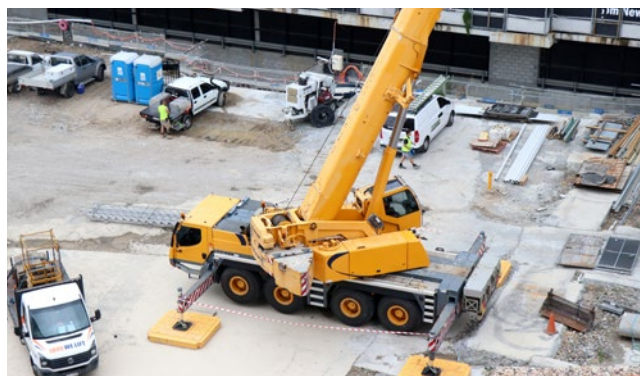
32 road access notices published to increase access and productivity

During the year, we worked with state, territory, local government and non-government road managers to deliver 18 national notices and 14 state and territory notices that provide industry with increased access and improved productivity.

We also obtained 304 pre-approvals for road access from road managers, which fell short of our targeted 10% growth. This was primarily due to us redirecting our efforts to eliminate more permits by seeking road manager consent to new notices and to add roads and networks to existing notices. Pre-approvals are a long-standing administrative arrangement between the NHVR and road managers that allows us to issue permits where road managers have previously agreed to access on a route. While pre-approvals may reduce the overall time it takes us to issue a permit, it is more efficient for industry to operate under a notice.

In August 2021, we cut red tape for operators of SPVs under two new notices. The *National Class 1 Special Purpose Vehicle (up to 40t total mass) Mass and Dimension Exemption Notice 2021* was developed after extensive consultation with industry, and makes it easier for eligible SPVs to access networks by standardising maximum dimensions across the five states and territories participating in the notice. It also includes an expanded range of SPVs.

Ineligible SPVs under this notice can use the second new notice – the *National Heavy Vehicle Standards (Special Purpose Vehicles) Exemption Notice 2021* – to apply for an access permit, instead of having to apply for both an access permit



and a vehicle standards exemption permit, as was formerly the case. By removing many of the previously included prescriptive requirements, this notice focuses on the vehicle's on-road performance rather than the task it is performing, allowing industry more options when moving on public roads.

"I am pleased with the level of consultation across the industry that has been undertaken to resolve many of the access and vehicle standards issues that have previously existed with the movement of SPVs ... It is worth noting that efficient movements without the requirement for permits lets industry get on with the job, rebuilding the Australian economy, and reduces unnecessary workloads for the access team at the NHVR and state jurisdictions."

Crane Industry Council of Australia CEO, Brandon Hitch

We also delivered priority notices that demonstrated our responsiveness and commitment to enabling supply chain resilience. In September 2021, we supported industry through the COVID-19 pandemic by creating the *National Class 1 and 3 COVID-19 Health Facility Access Exemption Notice 2021 (No.1)* to assist in the establishment of a major heavy vehicle COVID-19 testing centre at Boondall in Queensland.

We also delivered two national notices to allow increased freight capacity on alternative road networks during a period when regular rail and road freight routes were cut by unforeseen natural disasters – the *National Class 3 Supplementary Access (Western Australia Assistance) Exemption Notice 2022 (No.1)* and *National Class 2 Supplementary Access (Northern Territory Assistance) Authorisation Notice 2022 (No.1)* (See **Freight land bridge keeps food supplies rolling West** on page 25.)

We have also partnered with road managers and road agencies to deliver several notices that provide industry with increased access through operators fitting telematics devices, which, with operator consent, can track vehicle positioning, as well as reporting on vehicle masses.

For example, Farm Gate Access is a new heavy vehicle initiative in New South Wales that introduces conditional area-wide access for higher productivity vehicles transporting grain and livestock on council roads in participating council areas. This benefits local farmers, businesses, participating councils and

¹² All national access notices (two or more participating jurisdictions) published on the Commonwealth Gazette during the year. Notices enable certain categories of heavy vehicle to access specific routes according to a set of conditions without needing to apply for a permit.

¹³ Includes national access notices.

¹⁴ A pre-approval is an administrative arrangement between road managers and the NHVR where road managers provide consent to predetermined vehicles to access their networks.



Widespread flooding in early 2022 cut many key road freight routes for several weeks.

CASE STUDY

the community. It was developed in collaboration with TfNSW and is enforceable under the HVNL. Heavy vehicles eligible to operate on the Farm Gate Network must be fitted with a telematics device and be enrolled in the Road Infrastructure Management scheme.

We further supported the agricultural sector in New South Wales by introducing provisions into the state's livestock and grain harvesting notices that grant access in exchange for monitoring vehicle movements. This data is being provided to road managers in a de-identified form to help them build their awareness of movements across their road network to support better decision-making, infrastructure planning, maintenance, and funding applications.

The *National Class 2 Performance Based Standards (High Productivity) Authorisation Notice* delivered during the year (see page 29) also has On-Board Monitoring and use of the telematic Intelligent Access Program (IAP) system as a condition of access.

Facilitating customer collaboration for mutually beneficial outcomes

We continued to facilitate engagement opportunities between road managers and industry to build relationships and to enable collaboration leading to mutually beneficial outcomes. For example, industry and peak industry associations asked us to investigate the safety implications of complying with tag trailer tow mass ratio requirements in the *Heavy Vehicle (Mass, Dimension and Loading) National Regulation*.¹⁵

We completed engineering investigations into the effects of tow mass ratio for rigid trucks towing tag trailers under varying payload scenarios. The findings supported removal of the requirement, and we will be engaging with the NTC to seek to amend the Regulation and remove the tow mass ratio requirement. This will increase industry's productivity with no impact on safety or infrastructure.

In another case, we were approached by Port of Brisbane to help introduce quad-quad super B-doubles into the port area under a permit-based scheme (instead of on a case-by-case basis). In partnership with port operators and Truck Engineering Australia, we conducted engineering testing to ensure these vehicles could safely use the network. We were able to validate the safety performance of these super B-doubles and we will finalise the policy to implement the scheme in 2022–23.

15 The *Heavy Vehicle (Mass, Dimension and Loading) National Regulation* prescribes a 1:1 tow mass ratio – that is, the mass on the trailer axles must not be more than the mass on the towing vehicle.

Freight land bridge keeps food supplies rolling West

In February 2022, we released a temporary notice to support the movement of food and other essential goods from South Australia to Western Australia during the unprecedented flooding events that were impacting large parts of central Australia.

The *National Class 3 Supplementary Access (Western Australia Assistance) Exemption Notice 2022 (No.1)* provided temporary access for Class 3 vehicles that are road trains up to 53.5 metres long and the equivalent of Higher Mass Limits. It supported a number of routes, including from Port Augusta West, via the Eyre Highway and the Lincoln Highway connecting to the Eyre Highway.

The move to open a freight land bridge across the Nullarbor was a unique solution for a significant flooding event, which involved the cooperation and collaboration of many stakeholders.

“Getting containers across the flooded regions by roads and back onto trains at Kalgoorlie shows the benefits of the whole freight and logistics sector working together. We thank the NHVR and heavy vehicle industry for their support in helping to find a solution to keep essential freight moving.”

Paul Scurrah, Pacific National CEO

“As a South Australian, I know how important this route is for linking east and west. It's great to see all parties including the state governments and the NHVR working together to ensure we keep these vital supply lines open despite the impacts of the deluge.”

David Smith, Australian Trucking Association Chair

The notice followed the release of the *National Class 2 Supplementary Access (Northern Territory Assistance) Authorisation Notice 2022 (No.1)* at the end of January 2022, to provide temporary access for Class 2 heavy vehicles that are road trains up to 53.5 metres long to specified routes from South Australia to Queensland via New South Wales, to join the Road Train Type 2 Network through Queensland to Darwin. This notice was delivered in the exceptional timeframe of just three days.

Harmonising access and loading schemes in the livestock and grain industries

During the year, we published the summary of findings from the consultation with industry on our Livestock Supply Chain Review's *Improving Awareness and Practices in the Livestock Supply Chain – Issues Paper* undertaken in 2020. This consultation showed that industry would benefit from more guidance on how to meet HVNL obligations, particularly regarding mass management. Several stakeholders identified inconsistency in livestock loading schemes and access arrangements between states and territories as contributing factors to their ability to comply with HVNL obligations.

Consequently, in June 2022, we released our *Review of Livestock Mass, Dimension and Loading Arrangements – Discussion Paper* for consultation. The discussion paper outlines our proposed approach to creating a more productive, single national scheme that will improve loading scheme consistency, identify opportunities to improve productivity, and enable improved compliance with the HVNL.

Through Rounds 4, 5 and 6 of the HVSI, \$450,000 has been made available to the livestock industry for projects that are helping address the findings of, and feedback about, the Livestock Supply Chain Review, and providing fit-for-purpose safety, compliance and education outcomes. We are also accelerating the development and delivery of a new RICP to improve livestock industry awareness and understanding of mass and CoR obligations.

We are placing a high priority on addressing inconsistencies in grain harvest management schemes. The outcomes of our review of the various state-run grain harvesting schemes indicated that a phased approach would be best to achieve improvements for grain receivers, transporters, and farmers. We are currently focusing on the New South Wales and Victoria schemes, which are the most aligned among the states.

During the year, we reached agreement to make some policy changes to the New South Wales and Victoria notices governing the transport of grain under their respective grain harvest management schemes. In New South Wales, this will clarify the application of approved intelligent access systems to eligible vehicles and disapply the requirement for qualifying vehicles to travel to the nearest grain receiver. In Victoria, it will update the description of eligible vehicles and remove the requirement for them to be enrolled in the Grain Harvest Management Scheme. In both states, the requirement to carry the notice will be removed. Also, we obtained broad agreement to harmonise the reporting format from the participating grain receivers for information such as vehicle type and gross mass. We anticipate that these policy changes will come into effect in September 2022.

Access permits workflow review focused on improving road manager consent timeframes

In line with the recommendations of the *National Freight and Supply Chain Strategy National Action Plan*,¹⁶ in June 2022 we conducted a qualitative review of the full road access workflow, with a focus on the positive aspects of the current process and areas for improvement, particularly regarding road manager consent timeframes.

Eighty-three respondents across small, medium and large heavy vehicle operators, state and territory road authorities, small and large local government authorities, and the NHVR provided us with more than 370 qualitative comments about key areas of the road access workflow. We will finalise the report in early 2022–23, and share it with internal and external stakeholders both to guide our internal approach and to drive external engagement activities aimed at continually improving the road access permits function.

We will repeat our feedback survey annually to measure the success of all improvements.

465 bridges and culverts assessed through Strategic Local Government Asset Assessment Project

During the year, we continued to deliver the SLGAAP, which funds external engineering consultants to assess bridges and culverts across Australia. We collaborate with engineers and local governments to help road managers better understand the condition of their road assets. This information helps councils make more efficient, safe and productive access decisions, and gives industry access to asset data when choosing the best route for their heavy vehicle movements.

We received initial funding of \$7.96 million from the Australian Government in late 2019 for the Pilot and Phase 1 of the SLGAAP, with the latter being completed in December 2021. A further \$12 million over three years was provided in June 2021, enabling us to start Phase 2, through which we plan to assess up to another 500 road assets.

During the Pilot and Phase 1, we:

- engaged engineers to complete 394 bridge and culvert assessments with related engineering reports
- assessed up to 112 vehicle configurations across selected assets
- worked with 74 councils to better understand their asset capability
- developed shared resources for road managers, including the Asset Assessment Framework, NHVR Portal Asset module and prototype Asset Rapid Assessment Tool (ARAT).

We began Round 1 of the Phase 2 delivery in February 2022, with 71 asset assessments undertaken by the end of June. Round 2 opened nationally in April 2022, with councils invited to nominate assets of significance for their local area. This round of asset nominations yielded 500 assets from 65 councils. Concurrently, we expanded the SLGAAP scope to focus on determining priority routes to inform the appropriate selection of assets for assessment. We have identified 1,000 heavy vehicle priority routes on local government roads. These routes, along with the assets nominated by councils, are now the focus of our engineering assessment work.

Additionally, the program will focus on leveraging existing assessments using a bridge family approach. This will assist with estimating appropriate bridge capability for structures that have not had detailed assessments. With the national bridge stock owned by local government estimated at 24,000 assets,¹⁷ we expect that these approaches will provide cost-effective and volume-based alternatives to undertaking individual asset assessments.

¹⁶ Transport and Infrastructure Council, *National Freight and Supply Chain Strategy National Action Plan August 2019*.
¹⁷ 2021 *National State of the Assets Report*, Australian Local Government Association.



“Participating in the SLGAAP has given City of Port Adelaide Enfield Council greater confidence in permit approvals across audited structures. We are now embarking on a program to conduct Level 2 bridge inspections and load assessments across all of our structures to gain this confidence across our entire freight network.”

Jordan Ward, City of Port Adelaide Enfield

“Through the SLGAAP, we learnt that load ratings are a tool to help make conservative initial assessments of bridge capability for certain traffic types. But there is a lot to consider when developing the scope for a load rating and in determining when and how to use a load rating.

The SLGAAP enabled Brisbane City Council to finalise a program of load rating pre-1996 bridges that we had initiated about 10 years ago. We are now well informed on our vehicle management and can also use these tools to inform asset management and network planning of road networks.”

Max Willison, Brisbane City Council

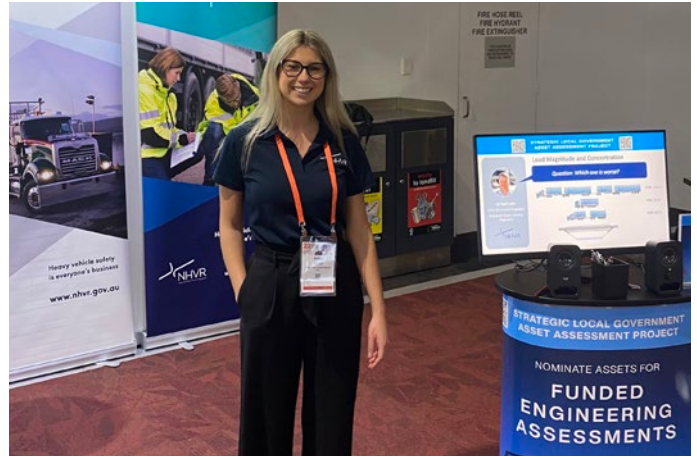
Sharing technology and data solutions with road managers through the NHVR Portal

We developed the NHVR Portal Asset module in 2021 to capture core asset data and assessment reports. It now contains information on more than 3,000 assets, with accompanying engineering assessment reports for around 400 of them. The module has self-serve functionality, enabling road managers to upload and publish asset data, as well as engineering reports and related documents.

We have begun work on linking the prototype ARAT with the data captured in the NHVR Portal Asset module. The ARAT is designed to undertake simple Tier 1 heavy vehicle comparison assessments for specific vehicle configurations. We will be making ARAT publicly available in a staged release during 2022–23, giving both road managers and transport operators increased confidence when determining the best routes for heavy vehicle movements.

During the year, we also began migrating the existing pre-approval administrative processes to the NHVR Portal. This work will continue during 2022–23, to incorporate linkages to the permitting process and, ultimately, integrate pre-approvals with our geospatial systems.

Underpinning the SLGAAP work is a learning and development strategy to uplift knowledge and understanding of asset and vehicle interactions across all stakeholder groups. For example, to help develop local government road managers' decision-making capability, we developed a nine-part webinar series, which has been viewed more than 1,500 times.



SLGAAP Senior Project Officer Ashlea Carter promoting the project at the Australian Local Government Association National General Assembly in Canberra in June.

In July 2021, we published an *Approved Guidelines for Granting Access* e-learning module on our website, explaining such matters as heavy vehicle classes, the role of a road manager in the consent process, the permit workflow, how and under what circumstances conditions can be imposed on vehicles, and how to use the conditions library.

In 2022–23, we will be publishing two more road manager e-learning modules. The *Heavy Vehicles – Introduction* e-learning module will provide comprehensive information about different types of vehicles, coupling types, mass limits, the PBS scheme, access objectives and management, vehicle standards, the Australian Design Rules, and the NHVR's compliance and enforcement activities. The *Performance Based Standards* module will provide a more detailed overview of the PBS scheme.

We plan to continue offering online training and education, adding more resources to our existing SLGAAP Knowledge Hub.

Our 2022–23 productivity deliverables

In the year ahead, we will:

- Deliver and maintain an industry- and government-supported access notices schedule, prioritised by safety and productivity benefits.
- Automate route pre-approvals for road managers through the NHVR Portal to reduce turnaround times.
- Deliver the ARAT in the NHVR Portal to enable road managers to undertake automatic bridge assessments to support access decisions.
- Through the SLGAAP, deliver the first centralised asset information database of local government infrastructure to inform planning and infrastructure investment and facilitate heavy vehicle access decision-making.
- Continue capacity assessments of local government assets on priority routes through the SLGAAP to optimise heavy vehicle access and connectivity across the network.
- Develop a classification of bridge families, enabling local government road managers to undertake multiple bridge assessments for 'like' bridge structures.
- Deliver the 2022–23 actions from the *Heavy Vehicle Productivity Plan 2020–2025*.
- Deliver an online information hub for local government employees to provide advice and guidance in their road manager role.



OBJECTIVE 3

SUSTAINABILITY

We are committed to facilitating a safe, productive and efficient heavy vehicle industry, while reducing impacts on the environment and communities.

As heavy vehicle designs evolve, the inclusion of new technology is playing a growing role in helping operators perform the freight task in a safer, cleaner, and more productive and efficient way.

Through the reduction of regulatory barriers when adopting higher productivity PBS vehicles, we are supporting industry to deliver the nation's freight task more sustainably.

We are working with manufacturers and operators to encourage the incorporation of newer, more technologically advanced vehicles into the national fleet, with road managers to improve road access for these new vehicles, and with policy makers to support national initiatives aimed at driving their uptake.

National Performance Measure 3

The national heavy vehicle fleet is safer and more environmentally friendly.

Sustainability Strategy		Promote the adoption of safer, cleaner and more efficient vehicles and environmental technologies.					
Performance Standard	Performance Indicators	2020-21		2021-22		Target met	Page
		Result	Result	Target	Performance against target		
The national heavy vehicle fleet is safer and more environmentally friendly.	Number of PBS vehicles ¹⁸	5,301	6,057	5%↑	14%↑	✓	29
	Average age of vehicles in the national heavy vehicle fleet	16.91	15.85	3%↓	6.3%↓	✓	29
	Number of road manager pre-approvals for PBS networks	52	35	10%↑	33% ↓	✗	29

Strong growth in Performance Based Standards scheme continues

Since 2013, we have administered the PBS scheme – a world-leading program enabling Australia's heavy vehicle industry to use the latest systems and technologies to design innovative vehicles for specific freight tasks to operate on appropriate networks for their level of performance. Since its inception, the scheme has grown rapidly, with annual vehicle approval applications increasing by over 400% – from 572 in 2013-14 to 2,857 in 2021-22. There are four levels of PBS vehicles, with corresponding levels of road networks they can access.

During the past year, there was significant acceleration in the uptake of the PBS scheme, with vehicle approval applications increasing by 26% to 2,857 from 2,259 in 2020-21. The number of individual vehicles based on Vehicle Identification Numbers rose by 14% – from 5,301 in 2020-21 to 6,057 in 2021-22. There are now more than 14,500 PBS-approved combinations operating across Australia.

We also saw continued increases in design approvals, with 670 processed in 2021-22 – an 18% increase from 569 in 2020-21. A-doubles were the most popular, representing 33% of all design approval applications received. Tables 6 to 8 in Appendix B on page 68 provide more detail.

From 2013 to 2021 inclusive, PBS vehicles travelled an estimated 3.38 billion fewer kilometres than conventional vehicles would have travelled to complete the same freight task. This reduction in distance travelled – resulting from fewer individual heavy vehicles on the road – means improved safety benefits for drivers and communities, and reduced wear and tear on Australia's roads and critical heavy vehicle infrastructure.

A more modern national fleet

In 2021-22, the average age of road vehicles in the heavy vehicle fleet decreased by 6.3% from 16.91 years to 15.85. This reduction can most likely be attributed to federal economic stimulus and the growth in the national PBS fleet during the year. PBS vehicles have an average age of 5.56 years; therefore, an increase in the proportion of PBS vehicles in the fleet reduces the overall fleet age.

The investment in newer vehicles by the heavy vehicle road transport industry will have notable efficiency and safety benefits. Newer heavy vehicles are more fuel-efficient, which reduces

running costs, and are fitted with more safety systems, such as advanced braking systems, which contribute to road safety.

New notices provide greater permit-free access for PBS vehicles

In October 2021, we delivered a new notice giving eligible PBS vehicles immediate network access when they receive a vehicle approval with a Tier 1 bridge assessment,¹⁹ providing they pass all necessary safety and infrastructure standards, such as acceleration capability, turning space, pavement wear, and mass and dimension limits.

We listened to feedback from operators who told us that knowing they had immediate network access would be a big factor in deciding whether to invest in a PBS vehicle or expand their PBS fleet. The *National Class 2 Performance Based Standards (Tier 1) Authorisation Notice 2021*, which applies in the ACT, New South Wales, South Australia, Tasmania and Victoria, establishes a platform to provide operators with guaranteed PBS access before they build their vehicle.

Building on this notice, in November we delivered Australia's first high productivity freight vehicle (HPFV) notice – the *National Class 2 Performance Based Standards (High Productivity) Authorisation Notice* – which applied in Victoria from November 2021 and New South Wales from June 2022. In Victoria, this notice has eliminated the need for permits for most of the more than 1,100 HPFVs fitted with smart On-Board Mass monitoring systems that are operating on the state's almost 8,000km HPFV Network.

A priority notice for 2022-23 will be a Class 3 three-axle truck and four-axle dog trailer notice based on the vehicle characteristics of the most common PBS truck and dog applications. This notice was sent out for road manager consent during the reporting period. When it is delivered in early 2022-23, this notice will provide a similar level of network access to the existing *National Class 2 PBS Level 1 & 2a Truck and Dog Trailer Authorisation Notice 2021 (No.1)* but will significantly reduce the regulatory and administrative burden for road managers and operators.

Focusing our resources on delivering these notices to boost the productivity of these safer, more efficient PBS vehicles contributed to our targeted increase in road manager pre-approvals for PBS networks not being met. We did, however, increase the size of these networks by adding routes to them

¹⁸ Total number of Vehicle Identification Numbers (VINs) for individual vehicles added into the PBS scheme during 2021-22.

¹⁹ Three tiers of bridge assessment are used to protect bridges and limit the maximum effect on bridges caused by heavy vehicles. Tier 1 bridge assessment is the general requirement for bridge loading and is based on the vehicle complying with the Tier 1 bridge formulae, which determine the maximum allowable mass across consecutive axle groups depending on the distance between any two axle groups.



In 2022–23, three-axle trucks towing four-axle dog trailers will be provided with the option to operate outside the PBS scheme.

through these notices. For example, through the *National Class 2 Performance Based Standards (High Productivity) Authorisation Notice 2022 (1)*, the New South Wales PBS networks became legally enforceable.

Delivering the policy framework to encourage more operators to include PBS vehicles in their fleet

We have been working to simplify the PBS scheme to provide industry with improved flexibility, greater productivity and reduced operational costs without impacting safety. This supports continued innovation and the take-up of safer, more productive vehicles in the national heavy vehicle fleet.

In 2022–23, we will take the first step in moving ‘mature’ combinations from the PBS scheme and into the less complex, less costly ‘normal’ regulatory framework, when we publish the National Class 3 20m Long 3-axle Truck and 4-axle Dog Trailer Mass and Dimension Exemption Notice. Now that the PBS scheme has been in operation for more than 15 years, there is enough data, knowledge and experience from hundreds of 3-axle truck and 4-axle dog combination designs to provide the option to move out of the PBS regime. This will allow the PBS scheme to remain focused on innovative vehicles and combinations, as was envisaged in the original development of PBS policy.

During the year, we also progressed the development of the policy framework for PBS 2.0, which included a review of the administrative, regulatory, procedural and policy aspects of the PBS scheme. In the second half of 2022, we will be releasing a Discussion Paper to seek stakeholder input into how we can ensure the scheme will best support the next generation of innovative heavy vehicles and further promote industry uptake.

Implementing the outcomes of the PBS Tyre Management Review

We began work to implement the new generic tyre approach for PBS vehicles following endorsement by the ITMM in May 2021. This new approach will move away from the prescriptive nomination of tyres on PBS vehicle approvals to an approach that will allow industry to use any tyre of the specified size and rated load. With implementation activities well advanced during the year, we anticipate commencement before the end of 2022.

We also continued reviewing the PBS standards in line with the recommendations of the *NTC Policy Paper – Reforming the PBS scheme*. The review is intended to reduce barriers to participating in the PBS scheme, give industry greater flexibility, and progress the use of technology to comply with the safety standards.

We are working with state and territory transport authorities to finalise the review of the Pavement Horizontal Loading standard. The proposed revised standard introduces a performance measure – based on a new formula – to limit the horizontal stress of PBS vehicles on road surfaces on a per-tyre basis. The proposal enables greater innovation by removing prescriptive requirements and assures more pavement protection.

Following endorsement of the revised Directional Stability Under Braking standard by the ITMM in May 2021, we have progressed implementation activities. This standard improves safety and productivity through the adoption of advanced technologies.

We are planning to amend both the Pavement Horizontal Loading standard and the Directional Stability Under Braking standard in one package, which will include one commencement date and an aligned transition period.

We also began reviewing the Low Speed Swept Path and Tail Swing standards.



A PBS 3-axle prime mover A-double.

Simplifying our vehicle standards processes

During the year, we continued to simplify our vehicle standards processes to reduce the amount of paperwork operators need to submit.

We developed and maintained seven notices relating to a variety of non-standard but commonly used vehicles, including agricultural, conditionally registered, and waste and recycling collection vehicles. These notices allow operators to self-assess and operate on standard conditions without needing to apply for a vehicle standards exemption permit for each individual vehicle.

Additionally, we conducted a major review of exemptions available to SPVs, to ensure operators of this type of vehicle were provided with complementary exemptions from vehicle standards and conditional road access. This review combined two existing vehicle standards notices and expanded the range of vehicles operating under the notices, giving operators a single point of reference and reducing regulatory burden.

In another positive step forward, upon review, a further two notices were deemed unnecessary due to industry maturation and regulatory progression.

The number of vehicles entering the fleet through the in-principle support process stabilised this year, with a slight reduction in the number of approvals issued. We continued to reduce the number of exemption permits issued, with a further 26% reduction. Modification approvals remained consistent, with eight in 2021–22 compared to 11 in 2020–21.

Helping industry adopt new technologies

Since the release of our *Vehicle Safety and Environmental Technology Uptake Plan* (Vehicle SETUP) in June 2020, we have continued to find ways to help industry adopt new technologies and safer, cleaner heavy vehicles.

With the major in-service barriers addressed by amendments to the *Heavy Vehicle (Vehicle Standards) National Regulation* and *Heavy Vehicle (Mass, Dimension and Loading) National*

Regulation in 2020–21, we focused our efforts this year on supporting national initiatives aimed at driving the uptake of safer heavy vehicles, including:

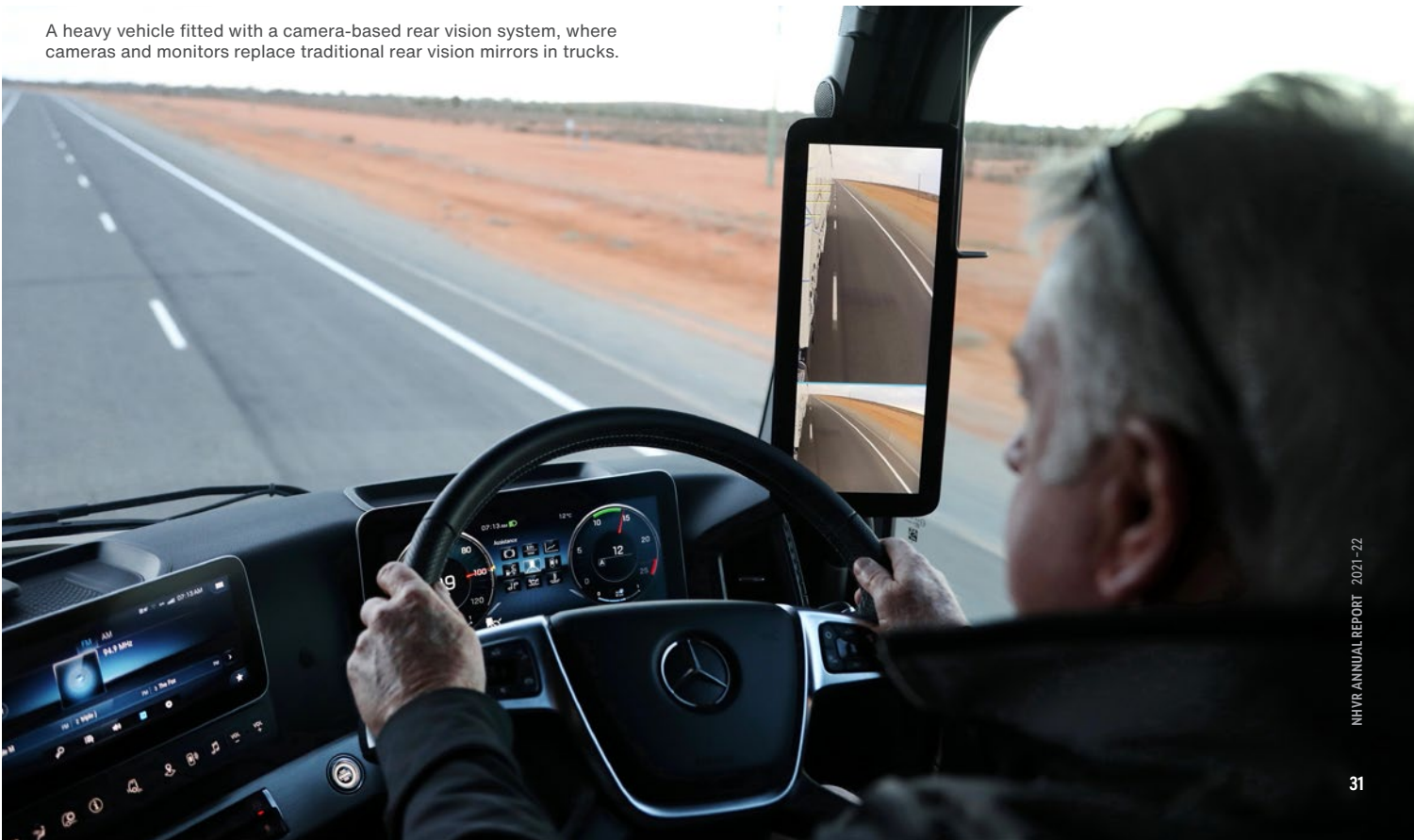
- supporting the Commonwealth Department of Infrastructure, Transport, Regional Development, Communications and the Arts to further develop and progress the 'Safer Heavy Freight Vehicles' reforms, including the identification on in-service amendments that will be needed to implement these reforms
- assisting the NTC to develop and refine the proposed national regulatory framework for autonomous vehicles, with a focus on ensuring the specific requirements of heavy vehicles are considered
- starting to map the future rollout of alternative fuel heavy vehicles in Australia, and identifying the regulatory barriers that could inhibit the release and uptake of these vehicles.

Our 2022–23 sustainability deliverables

In the year ahead, we will:

- Promote the uptake of PBS vehicles by influencing the expansion of gazetted networks.
- Begin the phased delivery of PBS 2.0 to reform the PBS scheme by optimising productivity and safety benefits and reducing administrative complexity.
- Continue delivery of the outcomes of the PBS marketplace review.
- Progress work to remove mass barriers faced by advanced emissions vehicles.
- Contribute to and support the development of regulatory frameworks that encourage the uptake of autonomous, electric and hydrogen-powered heavy vehicles to improve productivity and safety.
- Support more sustainable local road access decisions by developing tools and improving information available to local government road managers through the SLGAAP.

A heavy vehicle fitted with a camera-based rear vision system, where cameras and monitors replace traditional rear vision mirrors in trucks.





OBJECTIVE 4

REGULATORY CAPABILITY

We are working towards a future where we can achieve all the benefits of there being a single national heavy vehicle regulator, where our operations are borderless and seamless.

Delivery of a consistent, transparent and robust regulatory environment requires solid investment in our regulatory capability and a thorough understanding of our customers' needs.

We are working closely with industry, governments and enforcement agencies to develop further a successful regulatory environment that is consistent, collaborative, transparent and outcome-focused.

Our approach is underpinned by investing in our people, processes and systems. We are strongly focused on building an inclusive, supportive NHVR culture, in which the safety and wellbeing of our people are paramount, diversity and inclusion are valued, and innovation is celebrated.

National Performance Measure 4

Customer engagement with the NHVR is productive, simple and efficient.

Regulatory Capability Strategy – Industry Ensure a consistent and streamlined approach to the delivery of services to customers.

Performance Standard	Performance Indicators	2020–21	2021–22		Target met	Page
		Result	Result	Target		
Customer engagement with the NHVR is productive, simple and efficient.	Average turnaround times for permit approvals (days) ²⁰	13.82	12.87	5%↓	6.9%↓	33
	Average turnaround times for PBS vehicle approvals (days)	14	6.49	10%↓	54%↓	34
	Customer satisfaction with the NHVR Portal	72%	75.8%	≥75%	75.8%	34
	Customer satisfaction with the NHVR website	63%	70.5%	≥70%	70.5%	36

More permits, faster turnaround time

Working with operators and almost 500 road managers – state and territory authorities, local governments and other entities – we facilitate a wide range of road access applications to manage heavy vehicle access applications and issue permits.

In 2021–22, we received a total of 143,231 permit applications – a 21.4% increase from 117,886 in 2020–21. This increase was due to various factors, including significant growth in the heavy vehicle industry in general, an increase in single-trip permits due to growth in the crane sector, an increase in significant construction projects, and permits required in response to unprecedented flooding events.

Despite the challenges presented by the increase in permit volumes, COVID-19 and natural disasters during the year, processing times still improved. The average turnaround time for permit approvals reduced by 6.9% from 13.82 days in 2020–21 to 12.87 days in 2021–22.

Our NHVR processing time across all application classes decreased from an average of 2.48 days in 2020–21 to 2.11 days in 2021–22. This was achieved by the development of staff, increased system capability, and process improvements. Road managers also achieved an improvement in turnaround times, from 10.6 days in 2020–21 to 10.2 days in 2021–22. Supporting road managers to continue to reduce permit processing times will be a key focus for us in 2022–23.

We maintained our proactive approach to responding to natural disasters and, during the Queensland and New South Wales floods, contacted affected road managers and operators to assist in road closures and alternative route planning. We also continued our strong partnership approach with the Australian Defence Force (ADF), enabling us to help the ADF to provide humanitarian support to flood-impacted communities.



Access Manager Rochelle Matthews with Access Facilitator Sam Peni.

²⁰ Includes NHVR, road manager and customer turnaround times.

Halving PBS vehicle approval turnaround times

Even with strong growth of 26% in the number of PBS vehicle approval applications during 2021–22, we more than halved our processing time, which reduced to an average 6.49 days from 14 days in 2020–21. Reduction in turnaround times was driven by improving vehicle approval processes and our focus on developing the PBS operations team.

Processing time for pre-advised designs and variations averaged a turnaround time of 8.9 days, while design approvals requiring PBS Review Panel approval averaged 36.2 days.

We have planned a significant program of work for the year ahead to continue improving our processing capacity and capability, including integrating PBS into the NHVR Portal and continued improvement of the end-to-end PBS application process.

Creating borderless regulation through national services transition

Since 2016, we have worked closely with participating jurisdictions to transition the delivery of frontline regulatory services from those jurisdictions to the NHVR as part of the NST Program. In implementing the program, we aim to provide a more streamlined approach to service delivery, compliance and enforcement, and a greater degree of consistency in how the HVNL is administered and enforced.

To date, we have transitioned regulatory roles and services in four of the six participating jurisdictions – South Australia in 2016–17, Tasmania in 2018, and the ACT and Victoria in 2019. The formation of this 'Southern Region' has enabled the harmonisation of compliance approaches and the delivery of borderless regulation on some of Australia's key southern freight routes.

During 2021–22, we worked closely with TfNSW to progress the transition of heavy vehicle regulatory roles and services in New South Wales, and this will come into effect on 1 August 2022.

Queensland will be the final participating jurisdiction to transition heavy vehicle regulatory roles and services. During the past year, we worked closely with TMR to undertake a due diligence process, and we began the development of the Concept of Operations to guide the transition of services.

We also worked with the South Australian Government to undertake due diligence on the potential future transfer of heavy vehicle inspection-related services, subject to the development of a national risk-based heavy vehicle inspection framework.

Enhancing the customer experience through the NHVR Portal

We are continually seeking ways to increase our customers' ability to interact with us to have more efficient regulatory services.

During the year, we began delivering on our commitment to share non-compliance information directly with industry, as part of encouraging a self-management approach to compliance. The first stage involved undertaking a pilot, which began in early 2022, providing a small group of operators with access to vehicle defect information through the NHVR Portal.

Early feedback has been positive, with users appreciating receiving reliable compliance information and supporting an enhancement for them to receive real-time notifications when defect notices are issued.

In late 2022, we will start work on the addition of more compliance information, such as offence information for

breaches of mass limits, load restraint, fatigue requirements and off-route journeys.

Once completed, the 12-month trial will be evaluated prior to making this service more broadly available to industry.

The NHVR Portal has become an integral part of the SLGAAP, with its Asset module housing core asset data and assessment reports for the project (see page 27 for more information).

We are also progressing work to automate PBS design approval applications through the NHVR Portal to replace the existing PDF forms, and to deliver a new pre-approval and access notices module for access permits to enhance transactional services.

In addition, we have also made significant improvements to the NHVR Developer Platform, which enables access to datasets stored in the NHVR Portal for data-sharing with heavy vehicle operators, road managers and third parties. These datasets include permit applications, vehicle registrations and road access consents, which can be leveraged in our customers' own systems, unlocking processing efficiencies and reporting insights.

During the year, more than 8,000 new users registered to use the NHVR Portal, bringing the total number of registered users to more than 55,000. Customer satisfaction with the NHVR Portal also increased – to 75.8% from 72% in 2020–21.

On the road to a single national network map

We have continued to work with industry and road managers on the NHVR National Spatial Program, which will deliver an automated heavy vehicle access solution and provide a single, dynamic, national map for heavy vehicle access on all public roads.

In March 2022, we launched our Next Generation Route Planner – an important milestone in the delivery of a nationally consistent, intelligent route planning digital platform for the heavy vehicle industry. The new Route Planner allows for real-time changes to the road network, including the addition or realignment of roads after construction, and adding conditions specific to heavy vehicles – such as, clearance heights, turn restrictions and bridge mass limits. Supported by our heavy vehicle routing engine, the new Route Planner is helping operators plot more accurate heavy vehicle routes, minimising routing errors leading to rework, and reducing the time it takes to plan a journey.

During 2022–23, we will continue to release more features of the Spatial Program to industry and road managers, including:

- a single national map for all legally enforceable heavy vehicle networks, with all end-to-end and cross-border networks displayed in one location through the Next Generation Route Planner
- Network Builder, providing the ability for road managers to plan, build and publish heavy vehicle networks in real time in the spatial platform.

Using the National Regulatory Model to identify the greatest regulatory risks

Developed in consultation with our jurisdictional partners, the National Regulatory Model (NRM) articulates our risk-based approach to heavy vehicle regulation. This approach uses valid and reliable data, information and technology to:

- inform the prioritising of our regulatory efforts
- deliver the appropriate mix of regulatory activities
- demonstrate safety, productivity and efficiency outcomes for the heavy vehicle industry and the broader community.

The Model is supported by a three- to five-year NRM Implementation Program. Since the program began in December 2020, significant progress has been made in collaboration with our partner agencies, other regulatory bodies and industry.

Five of the program's 16 projects have been completed – including the *Organisational Performance Management Framework*, *Business and Technology Capability Strategy 2020+*, *Transformation Strategy – Beyond 2020*, *Data Science Strategy* and *National Regulatory Model Costs and Benefits (CBA)* – and a number of other projects are nearing completion.

Through NRM projects, we have built a number of algorithm engines and risk profiles in house, which generate meaningful and actionable insights and support timely deployment of targeted interventions to mitigate safety risks (more detail is provided below). We have also begun sharing data and intelligence with police agencies to support prioritisation of compliance and enforcement efforts and deliver a more consistent regulatory experience to the heavy vehicle industry (see page 16 for more information).

Tailoring intervention strategies to the highest risk drivers and operators

Our SCRIP provides the foundation for all NHVR safety and compliance information storage, analytics and reporting functions. It combines registration, crash, defect, intercept and infringement data with information from the NSCN, such as location and direction, which we use to generate profiling reports to identify operators, vehicles, drivers and infrastructure of interest.

Using this combined data, our Road Monitoring Tool applies sophisticated, automated algorithms to assign levels of risk to journeys, drivers and operators based on multiple factors drawn from the SCRIP, validated continuously by field trials. It addresses three priority safety issues – fatigue management, mechanical compliance and repeat offending. Additional algorithms focusing on overmass and unregistered vehicles have been developed and will be field-tested over the course of the year.

Data Principal Keat Ooi, Report Developer Thrupthi Rangappa and Data Scientist Sam Gamble work with AI and ML to develop risk profiles of heavy vehicles and operators.

Compliance and safety risks relating to driver fatigue identified through travel time breaches, and mechanical risks detected through vehicle identification are sent to our SCOs via the RCMS app, delivering real-time alerts so they can take appropriate action in relation to heavy vehicles engaged in high-risk journeys.

With richer and actionable data insights, we are tailoring intervention strategies to the highest risk drivers and operators, proactively preventing serious injury and optimising resources to reduce unnecessary expenses from random road intercepts. This means we can focus on vehicles and operators that pose the greatest risk to human life, therefore generating greater safety, productivity and efficiency outcomes.

CASE STUDY

Using machine learning to predict crash risk

Regulating a fleet of nearly one million heavy vehicles across Australia, it is fundamental that we have accurate and real-time insights into the country's heavy vehicle fleet to enable us to identify and regulate unsafe practices. In partnership with a data and AI specialist, we have created a centralised data analytics platform where we can analyse large volumes of data, including around 3.8 million monthly vehicle sightings from around the country.

With these high-speed processing capabilities and machine learning (ML) technology, we have reduced our mass data processing time from 15 minutes to under one second – detecting risks as they happen – to carry out immediate interventions where there is an imminent danger to public safety.

By combining the most effective parts of multiple ML models, we have created a more reliable crash prediction model. By leveraging multiple datasets, including vehicle, defect and crash data, we have been able to identify a cohort of 197 extreme-risk vehicles and operators that have a one-in-38 chance of being involved in a fatal or serious incident on any given day.

This modelling has now been validated by independent experts, giving us the confidence to pursue it as a proven, effective method of predicting crash risk with greater accuracy. Our priority in the year ahead will be to engage with industry participants to understand how it can be practically applied to reduce crash risks in their business.



Expanding the reach of our Regulatory Compliance Mobility Solution

The RCMS is our proprietary, cloud-based mobile application used by our SCOs during heavy vehicle intercepts to complete risk profiling and targeted enforcement. It connects to a central database of safety and compliance data in real time, enabling our SCOs to access driver and vehicle information, target high-risk offenders, administer digital notices, and send intelligence data back to the database.

More than 30,000 intercepts have been completed using RCMS since it was first commissioned, with safety offences and infringements issued for fatigue, load and mass, registration, and road permit breaches.

In 2021–22, the RCMS was enhanced to include capabilities for investigation functions, real-time alerts and tasking, as well as being licensed for use by other jurisdictions to expand the RCMS's reach across Australia.

Main Roads Western Australia (MRWA) has engaged us to provide the RCMS to its Transport Inspectors. Development of RCMS WA has been completed and accepted by MRWA, who will start using the RCMS as its on-road compliance and enforcement tool in 2022–23.

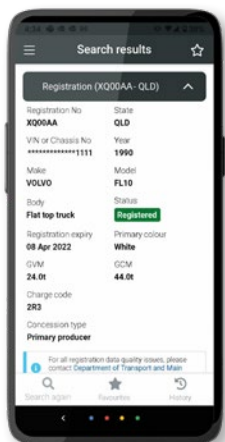
During the year, the RCMS was nominated as a finalist in the Intelligent Mobility Award category at the ITS Australia Awards 2021, which recognise outstanding work accomplished in the Intelligent Transport Systems industry.

Expanding the functionality of our Registration Checker app

Our free Registration Checker is an easy-to-use app that establishes the status of a heavy vehicle's registration by entering or taking a photo of a licence plate's details.

During the year, we enhanced the functionality of the app to enable users to check for primary producer concessions across all eastern states and South Australia, enabling loaders, packers and other supply chain parties to ensure vehicles are operating under the correct registration.

This was in response to concerns raised by industry groups and businesses about some operators using primary producer discounts to operate on a commercial basis. Inclusion of this information in the app will help industry and governments address concession misuse in a more collective way.



We also introduced details of dangerous goods licences into the app for vehicles registered in New South Wales and Western Australia, making it easy to establish the dangerous goods status of a vehicle while undertaking other registration checks. We are continuing discussions with dangerous goods regulators in other states and territories about the possible inclusion of their information.

The app also includes details of a vehicle's PBS and NHVAS status, where applicable.

Making information more accessible to our customers

Our website continues to be a primary source of information for customers and stakeholders, with 949,729 unique users visiting the site in 2021–22 and 2,313,145 website hits.

Our dedicated COVID-19 information page was again the most popular page on our website, as operators sought clarity on the different vaccination and close contact requirements in each state and territory. It had the highest number of unique page views on the website at 150,213.

Our ongoing accessibility program work enabled us to achieve Level AA standard of the Web Content Accessibility Guidelines (WCAG) 2.1 – the internationally recognised benchmark for website accessibility.

The program included a 'plain English' review of content, which contributed to an overall website customer satisfaction rating of 70.5%. This was a 12% increase from 63% in 2020–21 and exceeded our target of 70%. Guided by customer feedback, the review resulted in a rewrite of over 300 pages to make them easier to read and understand.

For example, we created Regulatory Advice documents hosted on our CoR page, which offer guidance, tips and tools for managing heavy vehicle safety risks. The response to these has been very positive, with the CoR section of our website receiving a 90.2% satisfaction rating.

We also added accessibility software to our website. This provides several accessibility and language features, such as translation into more than 100 languages, text-to-speech functionality, reading aids and styling options. This helps people who encounter barriers when online, due to having a disability, learning difficulty or visual impairment, or for whom English is a second language.

We also improved the mobile responsiveness of our website, in particular the display of images and tables, as 44% of visitors to our site access it on a mobile device.

In the year ahead, we will improve our website search function, as well as make it easier for transport operators to find and understand their access requirements, whether through a notice or a permit.

Our 2022–23 industry-related regulatory capability deliverables

In the year ahead, we will:

- Contribute to the development (and implementation as required) of policy reform proposals for the HVNL Review.
- Provide broader industry access to vehicle defect information through the NHVR Portal.
- Undertake a pilot to share additional compliance information with industry through the NHVR Portal.
- Deliver the NHVR National Spatial Program to provide a nationally consistent and dynamic route-planning platform for the heavy vehicle industry and road managers.
- Complete the transition of HVNL regulatory services from New South Wales to the NHVR, as well as Heavy Vehicle Inspection Scheme services.
- Deliver a program for transitioning Queensland regulatory roles and services to the NHVR, including delivery of a Concept of Operations.
- Develop the risk-based heavy vehicle inspection policy framework endorsed by Ministers.
- Continue to develop, use and improve intelligence-led and risk-based approaches to regulation, as outlined in the NRM.

National Performance Measure 5

NHVR employees work in a safe, supportive and inclusive working environment.

Regulatory Capability Strategy – Employees		Build an NHVR culture where employees feel safe, supported and can depend on each other.					
Performance Standard	Performance Indicators	2020-21		2021-22		Target met	Page
		Result	Result	Target	Performance against target		
NHVR employees work in a safe, supportive and inclusive working environment.	Employee engagement	72%	75.5%	≥75%	75.5%	☑	38
	Employee turnover ²¹	9.95%	12.7%	<10%	12.7%	☒	37
	Lost Time Injury Frequency Rate ²²	2.80	1.31	<7.5	1.31	☑	38
	Total Recordable Injury Frequency Rate ²³	2.80	2.62	<10	2.62	☑	38

Growing diversity in our workforce and a culture of inclusion

We are committed to promoting diversity in our workforce and eliminating bias. Our Diversity and Inclusion Policy and Diversity and Inclusion Strategy for 2021-23 launched during the year outline our focus on creating and maintaining an environment of inclusion. Both the policy and strategy were developed in collaboration with our employees and endorsed by our Board, to help us understand and leverage the diversity of our workforce.

As at 30 June 2022, 38% of our 482 people identified as female, 59% as male and 3% preferred not to advise us. In relation to gender diversity metrics, two of our five Board members, three of our eight ELT members and approximately 10% of our on-road officers identified as female. Increasing gender diversity, particularly in on-road roles, will remain a key focus for us in 2022-23.

To achieve greater gender parity across all levels and fields, we have changed how we attract diverse talent. Our strategies include gender-neutral advertising and imagery, psychometric testing aligned to our leadership competencies and values, and partnering with industry associations to advertise roles.

Aboriginal and Torres Strait Islander peoples represent 1% of our workforce. To increase this participation, we have partnered with an indigenous recruitment agency, and this has been embedded in the Diversity and Inclusion Strategy as one of our key initiatives. Another key priority in 2022-23 will be the development of the NHVR Reconciliation Action Plan, which will enable us to connect our work and actions to actively recognising, supporting and advocating for our Indigenous community.

Planning for our workforce of the future

During the year, COVID-19 recovery across Australia led to increased job mobility. According to the Australian Bureau of

Statistics, 9.5% of employed people changed roles between February 2021 and February 2022.²⁴ This was the highest national rate since 2012. In Queensland, where the majority of our employees work, the rate was higher, due to a high volume of interstate movements as people looked to enjoy the relative stability of the Queensland COVID-19 environment.

Our voluntary turnover rate in 2021-22 was 12.7%, which was higher than our target of lower than 10%. This is in line with the national trend and, in Queensland, with the local competitive environment in specialist roles.

Nearly one third of our employees have been with the NHVR for more than five years. This provides us with a strong base of organisational and industry skills, knowledge and experience as we continue to grow, particularly through the NST Program.

We have been successful in providing stability of employment conditions for the 78% of our workforce covered by enterprise agreements, through the successful negotiation of variations to the *NHVR Administration and Professionals Enterprise Agreement 2020-2023* and *NHVR (Operational and On-Road Regulatory Compliance) Enterprise Agreement 2020-2024*.

During the year, we launched our Talent and Succession Planning framework. This has enabled our ELT to determine the scope, strength and capability of our talent pipeline at Executive and Director level, and identify potential successors for business-critical positions at these levels. The Talent and Succession Planning process has also identified opportunities to develop high-performing employees, and we will extend it to Manager level in 2022-23.

Since the implementation of strategic workforce planning, we have continued to refine our recruitment abilities through candidate skills and capability searches – using a variety of platforms to attract the best candidates with appropriate skillsets. Our recruitment efficiency and candidate experience will be further enhanced by implementing an e-recruitment platform in 2022-23.

²¹ Employees who leave the NHVR voluntarily through resignation or retirement, including agency staff.

²² Lost Time Injury Frequency Rate is the total number of Lost Time Injuries and Fatalities in the defined period divided by the number of hours worked in the period, multiplied by one million. In this report, contractor hours worked are excluded.

²³ Total Recordable Injury Frequency Rate is the total number of Medical Treatment Injuries, Lost Time Injuries and Fatalities in the defined period divided by the number of hours worked in the period, multiplied by one million. In this report, contractor hours worked are excluded.

²⁴ www.abs.gov.au/statistics/labour/jobs/job-mobility/latest-release. Accessed 17 August 2022.



Senior Policy Advisor Melanie Cooper and Operational Policy Manager Fiona Brophy.

Driving a supportive, inclusive culture

Our annual Employee Survey provides important insights into priority areas of focus from our people's perspective. In our December 2021 survey, we once again had a participation rate in the eightieth percentile and we had a record employee engagement score of 75.5%, an increase from 72% in 2020.

We recognise that to encourage and retain our diverse employees, a culture of inclusion is paramount. During the year, we delivered a three-part inclusive leadership series as a mandatory training course for all leaders, which centred on Deloitte's six signature traits of inclusive leadership.

To further promote a leader-led culture, our ELT endorsed the design of a leadership capability program aligned to our leadership system, competencies and values. We successfully undertook a trial of the program, which is designed to be practical and relevant to our organisation, and provides useful tools to improve and practise leadership.

We have successfully integrated our Leadership System (levels of work and competencies) into our Performance, Planning and Appraisal process. This enables employees to assess, and receive feedback about, how they have performed against their personal key performance indicators and our five values-aligned leadership competencies at their respective level of work.

A review of the deliverables in our Corporate Plan, involving our ELT and senior leaders, highlighted the requirement to strengthen the capability of our workforce across seven key areas:

- leadership
- data literacy
- digital literacy
- program, project and task management
- professional communication and systems thinking
- external engagement and education
- collaboration and partnerships.

During the year, we selectively identified a range of programs and people to build capability across these areas, with more than 100 staff completing relevant training activities.

Prioritising health, safety and wellbeing

The safety and wellbeing of our people are our top priorities. During the year, we had one Lost Time Injury, one fewer than recorded in 2020–21, resulting in a Lost Time Injury Frequency Rate in 2021–22 of 1.31. Our Total Recordable Injury Frequency Rate for the year was 2.62, which is well below the Public Administration & Safety – Regulatory Services industry standard of 13.1. Journey-to-work incidents decreased by 54% from 13 to six.

During the year, we published our Critical Risk Safety Policy and continued to implement our Critical Risk Safety Management System (CRSMS), with a forward focus on vehicle incidents, exposure to workplace aggression and human/vehicle interactions. Data and trends extracted from our online incident-reporting system Donesafe, as well as anecdotal evidence, have indicated that these are the top three risks to our employees.

In 2022–23, we will move to a standardised online system to drive our risk assessment processes, manage the rehabilitation of injured workers, and assign actions from WHS Committee meetings.

Our WHS Committees are based on a three-tiered structure, comprising a Corporate, Operational and Southern Regional group. The committees help us to implement our CRSMS, solve specific WHS problems at a regional level, meet our communication and consultation obligations, and develop a safe working environment and safe systems of work.

We implemented our new Wellbeing Champion network during the year, supported by our Chief Corporate Officer as the Wellbeing Ambassador. The network aims to enhance the health and wellbeing of our employees by proactively building a healthier workplace and culture.

Wellbeing Champions are completing the Mental Health First Aid course. This early-intervention course increases mental health literacy, and teaches the practical skills needed to support someone experiencing a mental health problem.

We also approved an audit of our safety management for on-road safety and compliance activities (see Internal audit arrangements on page 48).

Mitigating risks during the COVID-19 pandemic

During the constantly changing COVID-19 landscape, we ensured there were appropriate risk mitigation strategies in place to reduce the impact of the virus in the workplace. This was achieved through regular consultation with our WHS Committees, employees, unions and industry bodies, working with external health advisors, and daily monitoring of state, territory and Commonwealth Government health advice and mandates.

We took clear and decisive steps to pre-empt and control the impacts of border openings, including implementing travel controls, ensuring employees were able to work from home, and providing rapid antigen tests where needed. We also implemented a mandatory vaccination policy to help keep our employees and contractors safe.

During 2021–22, 36% of our workforce reported testing positive to COVID-19. We supported impacted employees by providing paid leave during compulsory isolation requirements. We also provided paid leave to flood-affected employees in early 2022.

Our 2022–23 employee-related regulatory capabilities deliverables

In the year ahead, we will:

- Continue to build a strong internal safety culture to support the NHVR's staff and contractors and the activities they undertake.
- Implement a candidate-focused recruitment process to attract and retain employees from a diversity of backgrounds and experiences.

Principal SCO Jarrad and SCO Adam from our South Australian Operations team.



ENGAGING WITH OUR STAKEHOLDERS



Contact Centre moves in-house

In July 2021, we brought our customer Contact Centre in-house, after using an outsourced call centre since 2014. With the growing diversity of our business, we considered that directly employing Contact Centre employees would enable us to provide an enhanced customer experience.

During its first year of in-house operation, the Contact Centre took 52,213 calls and its performance exceeded expectations, with the following results achieved against priority metrics:

- 90% of calls answered in 30 seconds
- 96% customer satisfaction from 15,613 post-call surveys
- 90% first call resolution.

This level of performance can be attributed to various factors. We have been able to directly influence consistency of delivery and build on the knowledge sets of our staff. Also, our Contact Centre employees have been able to build effective relationships with, and learn from, their colleagues in other teams.

In particular, we reviewed our Hypercare and Access customer enquiry functions to allow the Contact Centre to take on an increased number of enquiries, enabling a refocusing by Hypercare staff on more complex and proactive enquiry management.

Our Contact Centre was chosen as a finalist in the Customer Service Institute of Australia (CSIA) 2022 Australia Service Excellence Awards, with the winners to be announced in October 2022.

During the year, we also achieved certification under CSIA's International Customer Service Standard for our organisation-wide, customer-centric approach.

Listening to our customers

We value feedback and are committed to responding effectively and efficiently. During the year, we received 52,513 calls from customers – including those received by both our outsourced and in-house contact centres – with 6,537 complex queries progressed to our dedicated Hypercare team.

Complaints are managed in line with our Customer Complaints Management Policy, which is published on the Contact Us page of our website, where our Customer Service Charter is also located.

We received a total of 42 complaints in 2021–22 – a 31% decrease from 65 in 2020–21. Most of the complaints received related to compliance and enforcement matters or road access.

The average time to resolve complaints reduced from five days in 2020–21 to three days in 2021–22.

We also received 30 compliments from customers through our Contact Us page.

Connecting with our customers to educate about key safety risks

Our social media platforms are vital engagement channels for anyone seeking specific information or assistance, and for us to reach a large audience in real time.

In 2021–22, our social media platforms saw record growth, with more than 24 million impressions – up from 11.7 million in 2020–21. Our content was strategic and predominantly directly related to the key safety risks that our SCOs see on the road, our Contact Centre Operators hear on the phone and via email, and our Stakeholder Engagement team discusses when engaging with industry.

Some key topics that we identified through other NHVR business units and then promoted through social media included grape season load restraint, rounded hay bale load restraint, grain harvest farm safety, work diaries and waste load restraint.

Our social media posts were engaged with (liked, commented on or shared) more than 1.3 million times across Facebook, LinkedIn, Instagram and Twitter, and our audience across these channels increased by 11,721 to over 65,000 followers.

As not all our stakeholders follow us on social media, we also publish fortnightly editions of our industry e-newsletter *On the Road*, which now has almost 50,000 subscribers, and our *Local Government Update* e-newsletter, as well as running regular columns and educational advertising in industry publications.

Keeping abreast of industry issues

We have a regional industry engagement model in place to engage with participants from across the heavy vehicle industry on strategic national and industry issues. This includes three Regional Working Groups (RWGs):

- Southern Region (the ACT, South Australia, Tasmania, and Victoria metropolitan and regional)
- Central Region (New South Wales metropolitan and regional)
- Northern Region (Queensland metropolitan and regional).

The RWGs supplement and support other forms of engagement. Membership is by invitation, and usually includes stakeholders with relevant knowledge and experience from various sectors of the heavy vehicle industry. Key strategic issues raised at RWG meetings are considered by the NHVR's peak industry advisory body, the Industry Reference Forum (IRF). The IRF also provides a platform to discuss key issues and areas of national and strategic importance.

Despite limitations due to the COVID-19 pandemic, we were able to deliver an active program of industry and government engagement during the year. Our Stakeholder Engagement team held 13 roadside information days and four toolbox sessions in collaboration with jurisdictions, and 32 engagements with local, state and Commonwealth government entities.

Contributing to national policy development

We continue to provide a conduit to policy development with jurisdictional, industry and government decision-making entities. Where appropriate, we actively propose policy ideas and briefs. We also work collaboratively with stakeholders to provide input to policy positions.

Our Intergovernmental Relations team continued to play a vital role liaising with Ministerial offices and jurisdictions on cross-border issues throughout the COVID-19 pandemic, the NHVR's direction on the HVNL Review, and the progress of the New South Wales regulatory roles and services transition to achieve positive outcomes.

The team also ensured our ELT was kept abreast of state and territory infrastructure and transport legislative agendas.

Engaging with our regulatory partners

To facilitate the engagement of transport agencies (including those in the Northern Territory and Western Australia) and police agencies in the strategy and operations of the NHVR, three groups have been established:

- National Operational Planning Group (NOPG)
- National Operations Group (NOG) (of which the Northern Territory and Western Australia are not members)
- National Strategy and Policy Group (NSPG).



Our CEO Sal Petrocchio attended the HHTS R U OK? in Trucks & Sheds event at the Coles Group Distribution Centre in Parkinson, Queensland. He is pictured with Triple M Brisbane's Liesel Jones OAM, Toll Group State Manager Mark Williamson, HHTS CEO Naomi Frauenfelder and Coles Head of Transport Safety & Sustainability (Supply Chain) David Clark.

The first two are operationally focused, while the NSPG is the mechanism we use to consider and develop nationally significant heavy vehicle regulatory policy, strategy, standards and initiatives. All three groups have representation from jurisdictions, with the NTC and police agencies invited as observers on the NSPG. Police also attend the NOPG and, by exception, the NOG. We have a separate police forum with senior police representatives from across the country.

We also have Memoranda of Understanding with complementary regulators, including police and Safe Work Australia. These formalise arrangements for cooperation on administration of joint HVNL functions in the case of police services, or clarify roles and responsibilities between WHS laws and the HVNL. For other state- or territory-based regulators for WHS or environmental protection, we operate on a case-by-case basis for individual matters.

Backing industry safety initiatives

Since 2016, we have administered the HVSI program on behalf of the Australian Government, as part of the Government's commitment to improving road safety to move towards zero fatalities and serious injuries on our roads.

This discretionary, merit-based funding program supports projects that align with heavy vehicle and road safety priorities identified by governments, the NHVR and industry stakeholders, and which deliver tangible improvements in heavy vehicle safety.

Over the past six years, the program has provided more than \$28.3 million for 117 grants. The 2021-22 program's \$5.5 million funding supported 28 projects. Further information about the projects that received support is available at www.nhvr.gov.au/hvsi

A further \$5.6 million was made available for Round 7 of the program in 2022-23. Proponents were requested to align their submissions to at least one of three criteria – safer drivers, safer vehicles and safer journeys.

Investing in the pursuit of common goals

We form partnerships and invest in sponsorship opportunities that align with our values and organisational priorities and strengthen our partnerships with industry.

In addition to our *We Need Space* partnership with Coles, Toll and Linfox, in 2021-22, we continued to partner with the National Road Safety Partnership Program. The program provides road safety resources to Australia's transport industry, and runs health and wellbeing research projects.

In 2021-22, we pledged or provided funding support to:

- Turbans Australia Harmony Day
- Transport Women Australia Limited
- RFNSW Conference and Award Safety Conference
- TrackSAFE Foundation Limited.

The 2021-22 financial year was the second year of our three-year \$150,000 partnership with the Healthy Heads in Trucks and Sheds (HHTS) Foundation to improve psychological safety and physical health across the heavy vehicle and logistics industries.

HHTS is a not-for-profit organisation that helps industry leaders, managers, business owners and workers tackle industry-specific challenges regarding mental health and wellbeing. It is one of the first mental health initiatives that is directly co-driven with industry, customers and others across the supply chain at all levels. Our funding will help drivers and logistics workers to have access to the best possible information, resources and support. HHTS also receives funding through the HVSI program.

In June 2022, HHTS launched a new initiative – R U OK? in Trucks & Sheds – a day of action to start driving conversations for ongoing cultural change and raise awareness of the need to have these conversations every day of the year.

Our commitments to our stakeholders in 2022-23

In the year ahead, we will:

- Continue to work proactively with our stakeholders, to improve how we perform as a regulator, and to ensure that we understand and respond appropriately to their concerns and needs.
- Provide relevant information and education to the heavy vehicle road transport industry through regular, targeted engagement.



CORPORATE GOVERNANCE

Our Corporate Governance Framework sets out the standards of accountability and transparency our stakeholders expect of our organisation.

It outlines the principles, elements and mechanisms we use to effectively achieve the two main aims of corporate governance:

- assurance that we are meeting our compliance requirements
- improving our organisational performance.

It also provides the context within which we operate to achieve our objectives, ensure transparent, ethical, accountable, evidence-based decision-making, and effectively manage risk and key stakeholder relationships. It is firmly aligned with the HVNL, and fully reflects all relevant legislation and government policies that directly affect us in our capacity as Australia's heavy vehicle regulator.

OUR BOARD



The Hon Duncan Gay
Chairperson

Appointed: October 2018

Duncan was previously New South Wales Minister for Roads, Maritime and Freight, and Leader of the Government in the New South Wales Legislative Council.

As Minister, he championed significant positive change to the safety and productivity of the heavy vehicle sector, enabling New South Wales transport operators and local businesses to catch up with the rest of the country and, in many cases, lead reform of road freight improvements for the benefit of the industry, broader community and, in turn, the national economy.

He understood the importance of working closely with freight supply chain partners to deliver tangible outcomes, particularly for regional and rural New South Wales, and was responsible for vastly increasing access to local freight networks and giving a strong focus to adopting a respectful culture in roadside heavy vehicle safety and compliance interactions.

Duncan is a Director of Essential Energy, the Bush Children's Education Foundation of NSW and the Sir Earle Page Memorial Trust, Chair of the Advisory Board at MU Group and Chairman of the NSW Freight Transport Advisory Council.



Julie Russell
Deputy Chairperson

Appointed: October 2019

Julie is a director and third-generation family member of Queensland-based Russell Transport. She has worked both within her family business and in large multinational corporations across roles in risk and compliance, human resources, industrial relations, technology and strategic planning.

She has served on numerous committees and boards to provide a medium-sized family-business perspective to road reform and policy proposals, training and workforce planning frameworks, and industry awareness programs. She is a Board Member and immediate past president of the Queensland Trucking Association, and a Board Member and Chair of the Skills and Workforce Committee of the Australian Trucking Association.

Julie was named Queensland Trucking Association Woman of the Year in 2014 and National Trucking Industry Woman of the Year in 2015.

Our Board comprises five members appointed by the Queensland Minister on the unanimous recommendation of the responsible Ministers.

The Board's functions under s.664 of the HVNL include:

- ensuring that the NHVR exercises its functions in a proper, effective and efficient way
- ensuring that adequate and effective governance processes and controls are in place
- oversight of the NHVR's financial activities.



Ken Lay AO APM

Appointed: October 2018
Resigned: 3 June 2022

Ken's substantial career was with Victoria Police, concluding as the Chief Commissioner (2011–2015). He has since conducted several reviews for both state and federal governments concerning significant social policy, community safety, governance and leadership issues.

His Board portfolio in 2021–22 also included chairing roles with Ambulance Victoria and Forensicare (Victorian Institute of Forensic Mental Health).

From January to April 2020, Ken was Chair of Bushfire Recovery Australia, a new permanent Victorian Government Agency created to work directly with communities to listen, help and deliver what they needed after the 2019–20 Victorian bushfires.

He is an Officer of the Order of Australia and an Australian Police Medal recipient.



Catherine Scott

Appointed: October 2019

Catherine is a highly experienced Chairperson and Non-Executive Director who has held directorships across a portfolio of organisations in transport, water, education and natural resources. In her prior professional career, she held senior positions in the investment banking and finance industries.

She is a Commissioner at the Australian Transport Safety Bureau and member of the Finance Committee of Edmund Rice Community Services. She is also a past director and Audit and Risk Committee member of several organisations, including the Office of the National Rail Safety Regulator, V/line Passenger Pty Ltd, Chair of Goulburn Valley Water and a Non-Executive Director of VicWater.



Robin Stewart-Crompton

Appointed: October 2012

Robin is the Director of RSC Advising Pty Ltd and is a consultant in the fields of public administration, work health and safety, workers' compensation and industrial relations. He has undertaken a number of reviews of law and practice in these areas at the Commonwealth and State levels. Previously, he was a senior Commonwealth public servant and a legal practitioner.

OUR EXECUTIVE LEADERSHIP TEAM



Led by our Chief Executive Officer, Sal Petrocchio, the ELT is responsible for the day-to-day management of our organisation, leading the delivery of our strategic objectives and driving an inclusive, supportive culture.

Sal Petrocchio Chief Executive Officer

Since joining the NHVR as Chief Executive Officer in May 2014, Sal has focused on the NHVR becoming a customer-centric, risk-based, data-driven modern regulator.

By driving a significant program of reform across Australia's heavy vehicle industry, he has enabled a more streamlined approach to service delivery, education, compliance and enforcement, and a greater degree of consistency in how heavy vehicles are regulated.

He has led the NHVR far on its journey to becoming a single national heavy vehicle regulator, successfully transitioning, to date, regulatory services from four states and territories improving compliance and safety outcomes.

From a Portal where the heavy vehicle industry can conduct all service transactions, to the automation of identification of the operators and vehicles who pose the greatest safety risk, Sal has championed data-sharing, new technologies and innovative practices to deliver enhanced productivity and safety outcomes for governments and industry.

Over six years of the HVSI grant program, he has overseen the provision of \$28.3 million for 117 projects that deliver tangible safety benefits to the industry and the community.

Sal brought to the NHVR extensive knowledge of heavy vehicle policy, strategy, regulation, and business reform, having held senior leadership roles in transport, freight, ports and logistics, strategic land use and transport planning, business process improvement and innovation across state and local government and the private sector. This has proved invaluable in understanding the needs of, and building effective relationships with, the NHVR's diverse range of stakeholders across the freight and supply chain sector.

Don Hogben Chief Regulatory Policy and Standards Officer

Don joined the NHVR in October 2019 in the role of Chief Regulatory Policy and Standards Officer.

The responsibilities of this role include developing regulatory standards (and associated assurance functions), policy development and research, freight transport productivity initiatives, and the chief engineer function.

Don has extensive experience in transport and infrastructure, including road and bridge construction, transport planning and investment, freight strategy, road safety, inter-governmental relations, transport regulation and regulatory reform, especially in freight and heavy vehicles.

He has held a number of senior roles in the South Australian and Victorian public sectors, and has been involved in many national transport reform projects and programs, including the establishment of the HVNL and the NHVR.

He has had a long involvement with Austroads and Transport Certification Australia, and is a former Chair of the World Road Association Freight Technical Committee.

Janelle van de Velde Chief Corporate Officer

Janelle joined the NHVR in January 2022 to oversee the Corporate Services portfolio, which consists of the finance, legal, property and procurement, performance, governance and risk, and people, safety and culture functions.

A seasoned C-suite corporate services leader, Janelle has forged a successful career over the past 15 years, having progressed through a series of executive leadership roles, advancing the strategic growth objectives of organisations in the resources and technology sectors across Australia, the USA, Europe, the Middle East, Africa and Asia (EMEA), from start-up to small and medium-sized enterprises, corporates, and listed and unlisted multinationals.

Playing a lead role in supporting an energy company's growth from an early-stage Queensland business into a 500-strong multinational diversified corporation, to being headhunted and relocating to San Francisco to support technology disrupter Nitro Software to prepare for its Initial Public Offering, she has developed a well-rounded executive skillset while building a truly collaborative approach to leadership.



Paul Salvati
Chief Operations
Officer

Paul joined the NHVR in March 2019 to take up the position of Chief Operations Officer, with responsibility for the operational elements of our business, including on-road operations, access permits, stakeholder engagement and customer experience.

With over a decade as a senior executive across a range of organisations, Paul's experience is primarily in the field of service delivery, encompassing frontline customer service, regulatory and compliance functions, community policy, infrastructure and services.

He has worked across all three tiers of government and in the private sector, and has consulted domestically and overseas on service delivery transformation. Business units under his leadership have won state, national and international awards for diversity, innovation and customer service excellence.

Since joining the NHVR, Paul has been instrumental in developing the NHVR's National Regulatory Model, transforming the service-delivery functions of the organisation, establishing and embedding a risk-based, intelligence-led approach to regulatory operational activities, and driving a consistent, customer-focused approach to on-road compliance and enforcement.

Cameron Stone
Chief Data and
Technology Officer

Cameron joined the NHVR in January 2022 to take up the position of Chief Data and Technology Officer, with responsibility for IT, analytics, data, and digital across all NHVR core functions.

With more than 20 years' experience as a senior technology executive, he specialises in large transformation programs in technology-driven organisations.

Prior to joining the NHVR, Cameron held key appointments in leading organisations, including Chief Information Officer of Virgin Australia, Aurizon and TEG, as well as senior technology roles at Suncorp, Bank of Queensland and Queensland Health. He has led culture change across a wide range of industries, including aviation, banking, insurance, heavy haul rail and freight.

Ray Hassall
Executive Director,
Statutory Compliance

Ray leads the Statutory Compliance Division of the NHVR.

He has more than 20 years' experience in public administration, and has led the design and implementation of regulatory reform at the state and national levels for all land transport modes. This experience includes legal and regulatory policy design, administrative review, strategic analysis, high-level stakeholder liaison, parliamentary committee appearances, and managing parliamentary and cabinet processes.

Ray has a deep background in regulatory compliance and his experience includes acting as a compliance expert for a legal publisher, as well as a peer reviewer for national and international transport publications, and the design and execution of strategic enforcement functions for the NHVR.

Michelle Tayler
Executive Director,
Corporate Affairs

Michelle joined the NHVR in January 2022 to lead the Corporate Affairs Division, which includes government affairs, corporate and digital communications, media, industry engagement and customer experience.

She is a qualified journalist with almost 20 years' experience working in media, communications, engagement and corporate affairs across the private and public sectors.

Michelle began her career as a cadet journalist at a regional daily newspaper. She then worked extensively in the energy and mining sectors before moving to the Queensland Government, where she held Executive Director roles with Queensland Fire and Emergency Services and the Queensland Police Service.

Kelli Walker
Program Executive

Kelli leads the NST Division, working with jurisdictions and NHVR business areas to plan for the transfer of responsibility for frontline delivery of regulatory compliance, enforcement and education activities currently being delivered by states and territories on the NHVR's behalf.

Kelli joined the NHVR in February 2016 to oversee the transition of heavy vehicle regulatory services to the NHVR from the South Australian Government.

She has more than 25 years' experience in senior management roles in state and federal government, with a strong background in transport policy and legislation development, and the planning and delivery of regulatory compliance programs for the heavy vehicle and maritime industries.

Reports to responsible Ministers

As required by the HVNL, we report directly to responsible Ministers (the responsible Minister for the Commonwealth and for each participating jurisdiction). We provide them with:

- an Annual Report addressing the matters set out in s.693 of the HVNL
- a report about any matter that relates to the exercise of our statutory functions in response to a written direction under s.694 of the HVNL
- a three-year Corporate Plan, updated annually, under s.695 of the HVNL.

Since our commencement in 2013, we have also provided reports to each meeting of the ITMM (formerly the Transport and Infrastructure Council) seeking its guidance or approval of proposed actions, or which Ministers require to be submitted.

Under the HVNL, we must also:

- comply with policy directions given by responsible Ministers under s.651
- provide information to a responsible Minister in response to a referral of a matter under s.652.

No written directions or referrals were given or made by Ministers to the NHVR in 2021–22.

Board activities

Board meetings routinely include monthly reports on the NHVR's WHS performance, financial performance, monthly reports on current and emerging issues (incorporated in the CEO's report), quarterly performance results against Corporate Plan objectives and key people and safety indicators, and regulatory, commercial and governance decisions requiring resolution. Meetings also regularly include presentations by NHVR staff or invited guests on issues impacting the organisation.

Board papers are distributed electronically one week before the meeting via a Board Portal to enable Board members to request additional information to support their decision-making.

Nine meetings of the Board were held during the year, with all members present for each.

In accordance with NHVR policy, the Register of Board Members' Declared Interests was maintained throughout the year, with declarations of conflict of interest featuring as a standing agenda item at each meeting. During 2021–22, the Board considered two declared interests by members and implemented appropriate mitigations to manage these.

As a requirement for insurance purposes, a standing item on the Board agenda requires Board members to make declarations of any possible professional indemnity claims being made against the NHVR. No declarations were made.

Finance Risk and Audit Committee

Established by the Board, the purpose of the Finance Risk and Audit Committee (FRAC) is to assist the Board to fulfil its corporate governance and assurance responsibilities in relation to financial reporting, risk management, internal controls, external audit, and compliance with relevant laws, regulations and codes.

FRAC meets a minimum of four times a year and, until 3 June, comprised Ken Lay (Chairperson), Catherine Scott, Robin Stewart-Crompton and independent member Geniere Aplin.

Following Mr Lay's resignation on 3 June, Catherine Scott was appointed as Chairperson.

During the year the Committee met four times and considered one circulating resolution.

External audit arrangements

At its meeting in February 2022, the NHVR Board endorsed the reappointment of PKF as the NHVR's external auditor for three years. Communication was sent to the responsible Ministers seeking approval for this reappointment, which was subsequently approved.

Internal audit arrangements

Our internal audit function is independent from management and assists the Board and FRAC to execute its respective responsibilities effectively by providing independent advice, analysis and recommendations concerning the NHVR's operations and processes.

O'Connor Marsden (OCM) carries out the NHVR's internal audit services and, in 2019, was appointed for a three-year term with two one-year options to extend. In light of the NHVR's effective working relationship with OCM, the Board approved the exercising of the first option under the existing contract with OCM and extended the engagement of OCM to undertake internal audit services for a further year until 30 June 2023.

FRAC defines the internal auditor's scope of work through approval of the Internal Audit Charter and endorsement of the Strategic Internal Audit Plan for Board approval. It considers the reports of the internal auditor, and makes recommendations to the Board regarding appointment, evaluation and dismissal.

Both FRAC and its Chairperson meet regularly with the internal auditor independently of management to participate in transparent conversation about the performance of the organisation.

Our risk-based internal audit approach entails performance, financial, IT and compliance audits across the organisation. During the year, the following internal audits were undertaken:

- Payroll System Readiness
- National Performance Measures Baseline Analysis
- New South Wales Service Transition Business Readiness Review
- Electronic Work Diaries
- Safety Management for On-Road Safety and Compliance Activities
- Data Intelligence over Safety Risks.

Risk management

We apply an enterprise-wide approach to risk management that provides a framework to ensure identification, treatment and review of risk are embedded in the organisation at a strategic and operational level.

Our Risk and Assurance Framework is reviewed annually to ensure relevance and ease of use, and that it remains aligned to the ISO 31000:2018 Risk management – Guidelines.

With our framework now intrinsically linked to our business planning cycle, each NHVR Division undertakes a formal risk assessment prior to the start of the new financial year, with identified risk treatments and regular monitoring activities appearing as line items in business and project plans.



Probity measures

Public interest disclosure

Our policy and procedures on public interest disclosure are consistent with the requirements of the Public Interest Disclosure Acts that apply to the NHVR.

They enable confidential disclosure of matters and protect disclosers from fear or threats of reprisal for making a disclosure.

Corrupt conduct

We are subject to anti-corruption legislation in all participating states and territories (except Tasmania), as well as the requirements of the HVNL, imposing:

- a specific obligation to act honestly, with integrity and in good faith, and with a reasonable degree of care, diligence and skill
- statutory prohibition on employees improperly using their position or information that comes to their knowledge through the exercise of functions under the HVNL.

Our Fraud and Corruption Control Framework provides a clear and transparent statement of our commitment to protecting our customers, employees and standing within the community by effectively preventing, detecting and deterring misconduct, fraud and corruption.

Our policies and procedures relating to any complaints that may be made against our CEO are consistent with the requirements of applicable Anti-Corruption Acts. Our Fraud and Corruption Control Framework has been reviewed against the recently updated Australian Standard AS8001:2021 *Fraud and Corruption Control*.

Any complaints about corrupt conduct are taken seriously and are reported as required by law.

Code of Conduct

The NHVR Code of Conduct sets out the standards of conduct we expect from our people, and governs our behaviour, decisions and actions. It applies to our employees, our Board, consultants and anyone else engaged by us to undertake an activity for us or on our behalf. On starting their employment with, or engagement by, the NHVR, they must declare that they will uphold these obligations and complete a mandatory induction that includes Code of Conduct obligations. They must also complete mandatory online refresher training.

During the year, we redrafted the code to explain in more detail what our expectation is when we ask our people to 'live' the NHVR values. By more fully explaining our values, we are

sharing a clear, consistent definition, as well as illustrating the types of behaviours to which we expect our people to commit.

The new code was introduced in April 2022, after a month-long period of employee consultation on the Board-approved draft.

Conflict of interest

Our Conflict of Interest Policy and Managing Conflicts of Interest Work Procedure ensure our people understand their individual responsibilities and all conflicts of interest are properly managed. If a perceived, real or potential conflict is notified, the employee's leadership team undertakes the necessary assessments, in conjunction with our People, Safety and Culture team, for review and sign-off by the CEO, as required.

Fraud control

We monitor non-compliance with our corporate policies through our assurance activities, and review thresholds and appropriateness of all financial delegations annually.

We observe our duties under anti-corruption legislation, public interest disclosure acts and ombudsman acts through our Legal Services team, which manages statutory complaints and investigations.

Insurance and indemnities

We hold the following insurances: public and products liability, directors and officers liability, professional indemnity, travel, crime, occupational health and safety, and business insurance.

Information privacy and right to information

Under s.696 of the HVNL, we are subject to the *Information Privacy Act 2009* (Qld) (the IP Act) and the *Right to Information Act 2009* (Qld) (RTI Act). We are guided by the legislation and the guidelines published by the Queensland Office of the Information Commissioner. We are subject to internal processes and controls through our Right to Information and Information Privacy Policy and Processing RTI or IP Applications Work Procedure.

Individuals can apply for access to personal information under the IP Act and non-personal information under the RTI Act. The Disclosure Log on our website at www.nhvr.gov.au/law-policies/right-to-information/disclosure-log provides details of information released in response to RTI requests.

During 2021–22, we received 10 applications under the RTI Act.

External scrutiny

Judicial decisions

No applications for judicial review of any NHVR decisions were made during the reporting period, nor were any other civil law decisions published.

Coronial inquiries

We were approached in relation to four coronial matters during the reporting period. We received three enquiries from the Coroners Court of Queensland, to which we provided a response with information to assist. The enquiries related to load restraint, amusement rides, and the Lindsay Transport EU matter discussed on page 17 of this report.

We also received an enquiry from Victoria, to which we responded by explaining to Victoria Police why, in relation to a particular matter, there was insufficient evidence to prosecute under the HVNL.

Ensuring our systems meet our organisational needs

We continue to invest in our core corporate solutions. These are essential to support our ongoing national growth and productivity, and ensure we remain a modern regulator. This year, our key focus has been implementing our first single national NHVR payroll solution. This has involved:

- consolidating three separate NHVR payroll and rostering solutions into one fully integrated payroll solution, significantly reducing the pay processing time
- one standard employee experience for timesheet and leave requests that can be accessed anytime, anywhere through mobile devices

- implementing a new Enterprise Agreement to support transitioning New South Wales employees.

In the coming year, we will continue to improve our procurement-to-invoice payment process, as well as to implement an integrated contract management solution.

The introduction of human resources software solutions will continue to see improved efficiencies in recruitment and onboarding experiences for new employees.

Keeping information secure

We have an information security management system to assign prioritised controls to manage technology, legislative, physical, people and process risks to information, regardless of its format, throughout the entire information lifecycle. We have also established appropriate internal controls to ensure our accountable officers safeguard information and assets that process, store, create and manage information.

In addition to meeting the Australian Government Australian Cyber Security Centre's Essential Eight baseline strategies to mitigate cyber security incidents, we employ best practice elements from the Protective Security Policy Framework published by the Attorney-General's Department and the ISO 27001 international standard for information security.

In the year ahead, we will engage a third-party cyber security specialist to conduct an independent, risk-based, intelligence-led review of our environment and controls. The review will model current threats based on our security posture, and provide a prioritised report of any potential vulnerabilities to be addressed to harden our perimeter and protect the NHVR from threat actors.



FINANCIAL STATEMENTS



NATIONAL HEAVY VEHICLE REGULATOR FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022

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Statement of Profit or Loss and Other Comprehensive Income for year ended 30 June 2022

	Note	2022	2021
		\$000	\$000
Income from continuing operations			
Regulatory income	2	176,317	181,947
Other contributions	3	9,215	10,348
Fee income	4	12,881	13,034
Other income	5	2,683	3,230
Total income from continuing operations		201,096	208,559
Expenses from continuing operations			
Employee and related expenses	6	63,716	55,067
Service agreement payments	7	77,839	78,421
Third party services	8	27,641	21,720
Building property and motor vehicle expenses		1,298	1,029
Depreciation and amortisation	9	8,974	9,069
Financing costs	10	174	191
Other expenses	11	13,156	12,924
Total expenses from continuing operations		192,798	178,421
Operating surplus from continuing operations		8,298	30,138
Total surplus for the period		8,298	30,138
Other comprehensive income		-	-
Total comprehensive income		8,298	30,138

Statement of Financial Position as at 30 June 2022

	Note	2022	2021
		\$000	\$000
Assets			
Current assets			
Cash and cash equivalents		102,734	94,385
Trade and other receivables	12	25,569	28,390
Other current assets	13	4,404	2,236
Total current assets		132,707	125,011
Non current assets			
Plant and equipment	14	7,665	4,183
Right-of-use assets	16	12,986	11,587
Intangible assets	15	10,655	14,332
Total non current assets		31,306	30,102
Total assets		164,013	155,113
Liabilities			
Current liabilities			
Trade and other payables	17	14,465	19,522
Accrued employee benefits	18	9,921	8,524
Lease liabilities	16	4,595	3,894
Other liabilities	19	7,731	4,496
Total current liabilities		36,712	36,436
Non current liabilities			
Accrued employee benefits	18	2,383	2,659
Provision for make good	16	306	306
Lease liabilities	16	9,537	8,935
Total non current liabilities		12,226	11,900
Total liabilities		48,938	48,336
Net assets		115,075	106,777
Equity			
Accumulated surplus		115,075	106,777
Total equity		115,075	106,777

Statement of Changes in Equity for year ended 30 June 2022

	Accumulated surplus	Contributed equity	Total
	\$000	\$000	\$000
Balance as at 1 July 2020	76,639	-	76,639
Operating surplus from continuing operations	30,138	-	30,138
Balance as at 30 June 2021	106,777	-	106,777
Balance as at 1 July 2021	106,777	-	106,777
Operating surplus from continuing operations	8,298	-	8,298
Balance as at 30 June 2022	115,075	-	115,075

Statement of Cash Flows for year ended 30 June 2022

	Note	2022	2021
		\$000	\$000
Cash flows from operating activities			
Inflows:			
Regulatory income		184,871	170,783
Other contributions		4,051	9,671
GST refunded from Australian Taxation Office		12,022	11,219
Receipts from operating activities (NHVAS and Access)		10,578	9,474
Interest received		949	461
Other		8,536	7,602
		221,007	209,210
Outflows:			
Employee and board related expenses		(60,156)	(54,092)
Supplies and services		(143,453)	(107,279)
Interest expenses		(174)	(191)
		(203,783)	(161,562)
Net cash provided by / (used in) operating activities	20	17,224	47,648
Cash flows from investing activities			
Outflows:			
Payments for plant and equipment		(4,217)	(1,783)
Payments for intangible assets		(436)	(1,553)
Net cash provided by / (used in) investing activities		(4,653)	(3,336)
Cash flows from financing activities			
Outflows:			
Lease payments	21	(4,222)	(3,359)
Net cash provided by / (used in) financing activities		(4,222)	(3,359)
Net increase / (decrease) in cash and cash equivalents		8,349	40,953
Cash and cash equivalents at the beginning of the period		94,385	53,432
Cash and cash equivalents at the end of the period		102,734	94,385

The accompanying notes form part of these statements.

Notes to the Financial Statements for year ended 30 June 2021

Note 1: Basis of financial statement preparation

(a) General information, objectives and principal activities of the authority

Based in Brisbane, Queensland, the National Heavy Vehicle Regulator (Regulator) is Australia's national, independent heavy vehicle regulator for vehicles over 4.5 tonnes gross vehicle mass. The Regulator was established to minimise the compliance burden on duty holders under the *Heavy Vehicle National Law* ("HVNL"), reduce duplication of, and inconsistencies in, heavy vehicle registration across state and territory borders and to provide leadership and driving sustainable improvement to safety, productivity and efficiency outcomes in the heavy vehicle road transport industry. The Regulator was formally established on 12 October 2012 following passage of its enabling legislation, the *Heavy Vehicle National Law Act 2012* on 23 August 2012.

On 10 February 2014, the HVNL commenced in participating states and territories of Queensland, New South Wales, Australian Capital Territory, South Australia, Tasmania and Victoria. Western Australia and Northern Territory have not adopted the HVNL. Business activities of the Regulator include:

- on-road compliance and enforcement;
- NHVAS management and accreditations;
- the PBS scheme, vehicle design and access approvals;
- vehicle road access permit applications;
- vehicle standards, modifications and exemption permits;
- national driver work diary; and
- national exemption notices.

(b) Statement of compliance

The Regulator has prepared these financial statements in compliance with the *Heavy Vehicle National Law Act 2012* (the Act).

These financial statements are General Purpose Financial Statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations, applicable to not-for-profit entities.

The financial statements were authorised for issue by the Board of the Regulator on 16 September 2022.

(c) The reporting entity

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of the Regulator. The Regulator does not have any controlled entities and is a not-for-profit entity. Except where stated, the historical cost convention is used.

(d) Going concern

Payment of the Regulator's debts as and when due as well as settling its liabilities and realising its assets in the normal course of business at amounts stated in the financial report remains primarily dependent upon timely receipt of the regulatory income component of heavy vehicle registration charges from participating state and territory government agencies in accordance with agreed payment timeframes.

Notwithstanding the ongoing dependence on timely receipt of the regulatory component of heavy vehicle registration charges from participating state and territory government agencies, the Board is of the opinion that the Regulator is a going concern and this financial report is prepared on that basis.

(e) Insurance

The Regulator seeks to insure its risks with premiums being paid on a risk assessment basis with regards to the activities of the Regulator. In addition, premiums are paid to WorkCover Queensland, ReturnToWorkSA South Australia, Worksafe Victoria, iCare Workers and Allianz Insurance in respect of its obligations for employee workers compensation.

(f) Taxation

The Regulator was established under Part 12.2 of the *Heavy Vehicle National Law Act (2012)* as a statutory body corporate and is therefore exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax (GST). The net amount of GST recoverable from the Australian Taxation Office is shown as an asset.

The Regulator pays payroll tax to the Queensland, Victoria, New South Wales, ACT, Tasmania and South Australia governments for a reward for services rendered by employees, deemed employees and contractors where the arrangement is considered a "relevant contract" for payroll tax purposes.

(g) Estimates and judgements

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

- Valuation of intangibles, property, plant and equipment – Note 14 & 15
- Amortisation of intangibles, depreciation of property, plant and equipment and right of use assets – Note 9, 14, 15 and 16
- Right of Use Asset and Lease Liabilities – Note 16
- Accrued employee benefits – Note 18

(h) Rounding and comparatives

Amounts included in the Financial Statements are in Australian dollars and have been rounded to the nearest \$1,000 unless disclosure of the full amount is specifically required.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(i) New and revised accounting standards

The Regulator has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2: Regulatory income

	2022	2021
	\$000	\$000
VicRoads (Vic) ⁽¹⁾	55,978	61,929
Roads and Maritime Services (NSW)	53,412	51,983
Transport and Main Roads (Qld)	46,050	44,070
Department for Planning, Transport and Infrastructure (SA) ⁽¹⁾	15,369	18,809
Chief Minister, Treasury and Economic Development (Access ACT)	806	810
Department of Infrastructure, Energy and Resources (Tas)	4,702	4,346
Total regulatory income	176,317	181,947

Disclosure – Regulatory income

⁽¹⁾ Decrease attributed to additional backpayments of the concessional portion of regulatory fees from SA (\$4.014M) and VIC (\$8.757M) received in 2021. Excluding these, revenue growth was 4%.

Accounting policy – Regulatory income

Regulatory income is recognised on a systematic basis over the periods in which the Regulator performs the obligations and recognises costs for which the income is intended to compensate. Regulatory income is provided to the Regulator from participating state and territory government agencies, representing the regulatory component of heavy vehicle registration charges.

Note 3: Grants and Other Contributions

	2022	2021
Commonwealth contributions ⁽²⁾	9,215	10,348
Total grants and other contributions	9,215	10,348

Disclosure – Contributions

⁽²⁾ The Regulator received a contribution from the Commonwealth of \$5,528,000 in the 2021-22 financial year for Heavy Vehicle Safety Initiatives. This funding has been recognised as revenue on receipt under AASB 1058 as the Regulator's obligations are not sufficiently specific. The funds are used for the broad objectives of the Regulator, that is to implement safety initiatives with the aim to improve safety for the heavy vehicle industry and other road users. The Heavy Vehicle Safety Initiatives is for projects undertaken by third parties.

As at 30 June 2022, the opening balance of \$2,553,949 in unearned revenue for the Strategic Local Government Asset Assessment Project has been recognised as revenue and the project has been completed.

The Regulator received \$4,000,000 in the 2021-22 financial year for Phase 2 of the Strategic Local Government Asset Assessment Project. As at 30 June 2022, \$1,132,996 revenue has been recognised and \$2,867,003 remains in unearned revenue. A total of \$12,000,000 will be received over a three year period for this project.

Accounting policy – Contributions

Grants, contributions, donations and gifts arise from transactions that are non-reciprocal in nature (i.e. do not require any goods or services to be provided in return).

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the Regulator to transfer goods or services to a third-party on the grantor's behalf, the grant is accounted for under AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred as unearned revenue (contract liability) and recognised as or when the performance obligations are satisfied.

Otherwise, the grant or donation is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding. AASB 1058 provided for grants received for capital purposes can be deferred. In 2021-22 financial year, the Regulator continues to receive the specific purpose capital grant (Strategic Local Government Asset Assessment Project).

Contributions of assets received from the government and other parties are recognised at fair value on the date of transfer in the Balance Sheet, with a corresponding amount of revenue recognised in the Statement of Comprehensive Income.

Note 4: Fee income

	2022	2021
	\$000	\$000
National Heavy Vehicle Accreditation Scheme (NHVAS) fees	4,180	4,445
Work diaries	3,539	4,055
Access permit fees	5,162	4,534
Total fee income	12,881	13,034

Accounting policy – Fee income

Fee income is recognised when performance obligations are met i.e. services are completed and includes application fees associated with the National Heavy Vehicle Accreditation Scheme, national driver work diary fees and application fees for Access permits collected under the Heavy Vehicle National Law. Where payment has been received for services not yet completed or in progress as at reporting date they are recognised as unearned revenue until such time as the service is completed.

Note 5: Other income

	2022	2021
Interest income ⁽¹⁾	810	622
Sundry revenue	1,873	2,608
Total other income	2,683	3,230

Disclosure – Other income

⁽¹⁾ Interest income is received from short term cash deposits and operating cash held.

Accounting policy – Other income

Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Sundry Revenue

Sundry Revenue is primarily income received for services provided to industry and other government jurisdictions. It also includes penalty revenue and court fee reimbursements.

Note 6: Employee and related expenses

	2022	2021
Wages and salaries	53,565	47,121
Employer superannuation contribution	5,625	4,759
Payroll tax	2,916	2,551
Other employee related expenses	1,610	636
Total employee and related expenses	63,716	55,067

The number of employees including both full time employees and part time employees measured on a full time equivalent basis are:

	No.	No.
Number of employees as at 30 June 2022:	432	416

Disclosure – Employee and related expenses

Employee related expenses increased by 16% due to a general wage increase of 2.25%, increased staffing between the two years, first time recognition of Rostered Days Off liabilities in 2022, and redundancy payments as a result of organisational restructuring to allow better delivery of services as a National Regulator in line with the transition of NSW described in Note 25.

Accounting policies – Employee and related expenses

Employer superannuation contributions, annual leave and long service leave are regarded as employee benefits.

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not included in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Wages and salaries

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

Annual leave

A provision for unpaid annual leave is based on the number of working days owing to employees as at the end of the reporting period. The annual leave provision calculation uses the notional cash component of the total employment cost of employees that would be required to be paid if the liability was to be settled at balance date. This includes oncosts that are required to be paid in conjunction with annual leave. Oncosts comprising superannuation, payroll tax and worker's compensation are included in the calculation of the annual leave provision.

Rostered Days Off

A change to accounting policy recognising a provision for rostered days off (RDO) was introduced in 2021-22. This was a result of NHVR changing payroll provider in 2021-22 allowing for more detailed payroll analysis and accurate quantification of the RDO balance. RDOs occur when employees who work a particular work cycle are entitled to accrue time towards a paid RDO. RDOs are taken at regular intervals and given the small growth in employee numbers from 2021 to 2022 the amount for 2021 would have been materially similar to the amount for 2022. The impact of this change in accounting policy is \$698,000 in 2021-22 (refer Note 18)

Sick leave

Non-vested sick leave represents unused sick leave entitlements that are not paid out to an employee. Non-vested sick leave is not accrued, and is expensed as paid; payments are made only upon a valid claim for sick leave by an employee.

Long service leave

Long service leave entitlements are accumulated after the qualifying period of service until the leave is taken or paid out. After the qualifying period, long service leave continues to accrue. No legal entitlement to any payment for long service leave exists before completion of the qualifying period by an employee, other than pro-rata long service leave for departure between 7 – 10 years employment.

The provision for long service leave calculation takes into account the following factors:

1. Where an employee has between 7 and 10 years of service, a pro-rata entitlement is brought to account (a probability factor is applied to employees within each year of tenure under 7 years to derive the estimated number of employees that will complete the qualifying period. This factor is applied to amounts sourced from payroll system long service leave reports.
2. Where an employee has over 10 years of service, the absolute entitlement is brought to account.

Unconditional long service leave is disclosed as a current liability, even where the Regulator does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

Conditional long service leave is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current long service leave liability is measured at present value.

Superannuation

Employer superannuation contributions are recognised in the same period as the related employee remuneration cost is incurred.

The Regulator has some employees included in defined benefit plans. No liability is recognised for accruing superannuation benefits in these financial statements, the liability being held on a whole-of-government basis and reported in those financial statements, prepared pursuant to AASB 1049 Whole of Government and General Government Sector Financial Reporting, as prepared by the Queensland Treasury. No call has been made by the superannuation fund.

Note 7: Service agreement payments

	2022	2021
	\$000	\$000
Vic Roads (Vic)	2,132	2,635
Roads and Maritime Services (NSW)	54,927	54,927
Transport and Main Roads (Qld)	18,776	18,855
Department for Planning, Transport and Infrastructure (SA)	904	904
Transport Certification Australia	1,100	1,100
Total service agreement payments	77,839	78,421

Accounting policy – Service agreement payments

In 2021-22 payments were provided to state and territory government agencies for the provision of certain regulatory services in accordance with service agreements. Services include compliance and enforcement, vehicle inspection standards, regulatory audits, access management and customer service.

Note 8: Third party services

Contractor costs	21,322	13,916
IT systems support	1,366	3,311
Managed services ⁽¹⁾	332	1,155
Equipment purchases	491	541
Software purchases	2,561	1,442
Telecommunication costs	719	634
Advisory services	722	515
Internal audit fees	80	164
External audit fees ⁽²⁾	48	42
Total third party services	27,641	21,720

Disclosure – Third party services

⁽¹⁾ Managed services include the outsourced payroll providers. The decrease in expenditure in 2021-22 was a result of replacing the outsourced contact centre with an internal contact centre utilising NHVR employees.

⁽²⁾ Total fees to be paid to PKF Brisbane Audit relating to the audit of the 2021-22 financial statements and other audit related services are quoted to be \$41,000 (2021: \$39,000).

Note 9: Depreciation and amortisation

Plant and equipment	731	608
Computer hardware	4	-
Computer software (intangible asset)	4,113	4,651
Right-of-use assets	4,126	3,810
Total depreciation and amortisation	8,974	9,069

Accounting policy – refer to Notes 14 and 15.

Note 10: Financing costs

Interest expense on lease liabilities	174	191
Total financing costs	174	191

Accounting policy – financing costs

Finance costs are recognised as an expense in the period in which they are incurred.

Note 11: Other expenses

	2022	2021
	\$000	\$000
Grants to industry and state governments ⁽¹⁾	3,432	3,491
Office related expenses	2,855	2,971
Licence fees	1,968	1,866
Marketing and communication related expenses	2,777	2,669
Insurance	524	540
Travel expenses	1,123	900
Board fees	454	463
Other board related expenses	23	24
Total other expenses	13,156	12,924

⁽¹⁾ Primarily relates to the Heavy Vehicle Safety Initiative program funded by the Australian Government

Note 12: Trade and other receivables

Trade receivables	23,059	27,032
GST - net receivable	2,335	1,071
Interest receivable	116	255
Other receivables	59	32
Total trade and other receivables	25,569	28,390

Accounting policy - Receivables

Trade receivables are predominantly in relation to the amount due from the jurisdictions.

The collectability of receivables is assessed periodically with an allowance being made for impairment where appropriate. All known bad debts are written off in the same period or as at 30 June.

Other receivables generally arise from transactions outside the usual operating activities of the Regulator and are recognised at their assessed values.

Note 13: Other current assets

Prepayments		
Annual licence fees	879	887
Insurance	252	222
Support and maintenance	143	369
Rent	132	240
Other	828	27
Wages	206	451
Software Subscriptions	1,964	40
Total other current assets	4,404	2,236

Note 14: Plant and equipment

a) Classes of plant and equipment

Plant and equipment		
At cost	6,141	5,539
Less: accumulated depreciation	(2,087)	(1,356)
	4,054	4,183
Computer hardware		
At cost	222	105
Less: accumulated depreciation	(109)	(105)
	113	-
Work in progress:		
Carrying amount at 1 July 2021	-	-
Acquisitions	3,498	-
Carrying amount at 30 June 2022	3,498	-
Total plant and equipment	7,665	4,183

Accounting policy - Recognition

Items of plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Asset Type	Threshold
Network assets	\$1
Plant and equipment	\$5,000
Computer hardware	\$5,000

Items with a lesser value are expensed in the year of acquisition with the exception of network assets. Network assets are items that are homogenous in nature and are items that fall below the recognition threshold on an individual basis, yet when considered as a whole are material.

Network assets are typically purchased rather than constructed and have useful lives that are approximately the same as each other.

Accounting policy

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use. However, any training costs are expensed as incurred.

Assets acquired at no cost or for nominal consideration are recognised at their fair value at date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, then the asset's recoverable amount is estimated.

In assessing the fair value, an estimate of the amount that is expected to be obtainable from the sale of the asset in an arm's length transaction between knowledgeable and willing parties is calculated. The cash flows estimated using the value in use approach will be subject to a range of conditions that may well exist for a purchaser of the Regulator's business. Probabilities will be subject to a number of possible conditions to adjust the future cash flows to better reflect the expectations of a knowledgeable and willing purchaser.

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

Disclosure - Depreciation

For each class of depreciable asset the following depreciation rates are used:

Asset Type	Useful life (years)
Network assets	3-15
Plant and equipment	3-15
Computer hardware	3-6

b) Reconciliation of movement in plant and equipment 2021-22

	Plant and equipment	Computer hardware	Capital works in progress	Total
	\$000	\$000	\$000	\$000
Balance as at 1 July 2021	4,183	-	-	4,183
Acquisitions	602	117	3,498	4,217
Depreciation	(731)	(4)	-	(735)
Carrying amount at 30 June 2022	4,054	113	3,498	7,665

Reconciliation of movement in plant and equipment 2020-21

Balance as at 1 July 2020	3,008	-	-	3,008
Acquisitions	1,783	-	-	1,783
Depreciation	(608)	-	-	(608)
Carrying amount at 30 June 2021	4,183	-	-	4,183

Note 15: Intangible assets

a) Classes of intangible assets

	2022	2021
	\$000	\$000
Internally generated software (completed)		
At cost	35,441	32,562
Less: accumulated amortisation	(24,786)	(20,674)
Carrying amount at 30 June 2022	10,655	11,888
Internally generated software (WIP)	-	2,444
Total intangible assets	10,655	14,332

b) Reconciliation of movement in intangible assets

Internally generated software (completed)		
Carrying amount at 1 July	11,888	16,539
Transfers from WIP	2,880	-
Amortisation	(4,113)	(4,651)
Carrying amount at 30 June 2022	10,655	11,888
Internally generated software (WIP):		
Carrying amount at 1 July	2,444	891
Additions	436	1,553
Transferred to asset account	(2,880)	-
Carrying amount at 30 June 2022	-	2,444

Accounting policy - Intangible assets and amortisation

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated depreciation/amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Regulator.

Intangible assets with a cost or other value greater than \$100,000 are recognised in the Financial Statements. Items with a lesser value are expensed. Each intangible asset is fully amortised over its estimated useful life to the Regulator and has a zero residual value.

All intangible assets of the Regulator have finite useful lives and are amortised on a straight line basis over an estimated useful life of between 2 to 5 years.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the intangible asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss in the expense category that is consistent with the function of the intangible assets.

An internally generated intangible asset software is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Note 16: Leases

	2022	2021
	\$000	\$000
Right-of-use assets		
Buildings		
Opening balance at 1 July	9,252	11,175
Additions	4,461	882
Depreciation charge	(3,048)	(2,805)
Closing balance at 30 June	10,665	9,252
Motor Vehicles		
Opening balance at 1 July	2,335	1,662
Additions	1,065	1,678
Depreciation charge	(1,079)	(1,005)
Closing balance at 30 June	2,321	2,335
Total right-of-use assets	12,986	11,587
Lease liabilities		
Current		
Buildings	3,643	2,962
Motor Vehicles	952	932
	4,595	3,894
Non-current		
Buildings	8,151	7,520
Motor Vehicles	1,386	1,415
	9,537	8,935
Total lease liabilities	14,132	12,829

Accounting policy - Lease

At inception of a contract, the Regulator assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The Regulator's incremental borrowing rate is used when measuring the lease liability for the lease of buildings and motor vehicles as the interest rate implicit in the lease cannot be readily determined. The incremental borrowing rate used is the Queensland Treasury Corporation Bond Yield rate that corresponds to the lease's commencement date and lease term.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

If there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs and make good provision. Subsequently, they are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Regulator anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

	2022	2021
	\$000	\$000
Provision for make good	306	306

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Note 17: Trade and other payables

Trade payables	5,274	2,332
Other payables		
Accrued expenses ⁽¹⁾	7,872	16,904
Other payables	1,319	286
	9,191	17,190
Total trade and other payables	14,465	19,522

Disclosure – Accrued expenses

⁽¹⁾ In 2020–21 accrued expenses included \$13,731,650 for an amount owing to Transport for NSW for service level agreement fees. This was paid in the 2021–22 financial year.

Accounting policy – Accrued expenses

Trade payables are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase / contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

Note 18: Accrued employee benefits

Current		
Annual leave	6,179	5,516
Rostered Days Off	698	-
Time off in Lieu	141	37
Long service leave	2,903	2,971
	9,921	8,524
Non-current		
Long service leave ⁽²⁾	2,383	2,659
	2,383	2,659
Total accrued employee benefits	12,304	11,183

Disclosure – Accrued employee benefits

⁽²⁾ The amounts disclosed are discounted to present values using the relevant Australian Government Bond Rates at 30 June 2022, based on the accrued service years.

Accounting policy – refer to Note 6

Note 19: Other liabilities

Unearned Revenue	7,731	2,955
Other liabilities ⁽¹⁾	-	1,541
Total other liabilities	7,731	4,496

Reconciliation - Unearned Revenue

Reconciliation of the unearned revenue written down values at the beginning and end of the current and previous financial year are set out below:

	2022	2021
	\$000	\$000
Opening balance	2,955	3,841
Payments received in advance ⁽²⁾	8,464	3,980
Transfer to revenue - included in the opening balance	(2,555)	(4,866)
Transfer to revenue - other balances	(1,133)	-
Closing balance	7,731	2,955

Disclosure – Unearned Revenue

⁽¹⁾ Other liabilities represents unrelated funds which have been refunded accordingly during the year.

⁽²⁾ Significant increase in the current year mainly attributed to FY 23 Jurisdiction Heavy Vehicle Safety Initiatives of \$4,452,000 and Strategic Local Government Asset Assessment Project for Phase 2 of \$4,000,000.

Accounting policy – refer to Note 3

Note 20: Reconciliation of operating surplus to net cash from operating activities

Operating surplus	8,298	30,138
Adjusted for		
Depreciation and amortisation	8,974	9,069
	8,974	9,069
Change in assets and liabilities		
Change in trade receivables - interest	139	(161)
Change in trade receivables - net GST receivable	(1,264)	1,204
Change in other receivables	3,946	(11,299)
Change in other assets	(2,168)	(462)
Change in assets	653	(10,718)
Change in trade and other payables	(5,057)	17,074
Change in accrued employee benefits	1,121	1,429
Change in unearned revenue	3,235	656
Change in liabilities	(701)	19,159
Net cash inflows / (outflows) from operating activities	17,224	47,648

Note 21: Changes in liabilities arising from financing activities

	Borrowings	Lease Liability	Other	Total
	\$000	\$000	\$000	\$000
Balance as at 1 July 2020	-	13,628	-	13,628
Net cash from / (used) in finance activities	-	(3,359)	-	(3,359)
Leases recognised on the adoption of AASB 16	-	-	-	-
Acquisition of leases	-	2,560	-	2,560
Other non-cash changes	-	-	-	-
Balance as at 30 June 2021	-	12,829	-	12,829
Net cash from / (used) in finance activities	-	(4,223)	-	(4,223)
Leases recognised on the adoption of AASB 16	-	-	-	-
Acquisition of leases	-	5,526	-	5,526
Other non-cash changes	-	-	-	-
Balance as at 30 June 2022	-	14,132	-	14,132

Note 22: Key management personnel and remuneration expenses

a) Board members

1 July 2021 – 30 June 2022

Position	Date Appointed	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
		Monetary	Non-Monetary				
		\$	\$	\$	\$	\$	\$
Board Chair	12/10/2018	118,772	-	-	12,334	-	131,106
Board Member	17/10/2019	67,518	-	-	6,752	-	74,270
Board Member	12/10/2012	67,518	-	-	8,946	-	76,464
Board Member	17/10/2019	89,084	-	-	8,908	-	97,992
Board Member	12/10/2018	69,831	-	-	6,983	-	76,814
Total Remuneration		412,723	-	-	43,923	-	456,646

1 July 2020 – 30 June 2021

Position	Date Appointed	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
		Monetary	Non-Monetary				
		\$	\$	\$	\$	\$	\$
Board Chair	12/10/2018	127,203	-	-	12,108	-	139,311
Board Member	17/10/2019	72,311	-	-	6,883	-	79,194
Board Member	12/10/2012	72,311	-	-	9,238	-	81,549
Board Member	17/10/2019	95,408	-	-	9,081	-	104,489
Board Member	12/10/2018	81,020	-	-	7,712	-	88,732
Total Remuneration		448,253	-	-	45,022	-	493,275

Disclosure – Remuneration expenses

The decrease in remuneration of the Board from 2021 to 2022 was due to a timing in the pay cycles (2021 had 27) and one Board Member finishing on the 3rd June 2022.

b) Key executive management personnel

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Regulator during 2021-22.

Position	Responsibilities		
Chief Executive Officer	Accountable to the Board of Directors for the overall management and operation of the Regulator.	Common law contract	19/05/2014
Chief Corporate Officer	Manages finance, human resources, IT, procurement & facilities, legal services, corporate governance and the projects portfolio.	Common law contract	27/08/2018 – 28/08/2021
Chief Corporate Officer	Manages finance, human resources, procurement & facilities, legal services and corporate governance.	Common law contract	24/01/2022
Chief Data & Technology Officer	Manages technology strategy, architecture, operations, cyber security, and data science.	Common law contract	24/01/2022
Chief Operations Officer	Manages the effectiveness of the operational processes and transactions for customers and service users of the Regulator. Accountable for the operational safety and compliance functions across the Regulator.	Common law contract	04/03/2019
Chief Regulatory Policy and Standard Officer	Manages the development of industry and organisational safety standards (and associated assurance functions), organisational strategy, policy development and research and freight transport productivity initiatives.	Common law contract	28/10/2019
Executive Director Statutory Compliance	Manages statutory compliance and enforcement activities through investigation and prosecution of significant non-compliance and providing intelligence services.	Common law contract	02/01/2013
Executive Director Freight & Supply Chain Productivity	Manages the heavy vehicle access policy, freight & supply chain and performance based standards.	Common law contract	02/01/2013
Executive Director Corporate Affairs	Manages intergovernmental relations and communications.	Common law contract	14/01/2019 – 30/07/2021
Executive Director Corporate Affairs	Manages intergovernmental relations and communications.	Common law contract	24/01/2022
NST Program Executive	Manages the national services transition projects.	Common law contract	27/06/2016

c) Remuneration expenses

Remuneration expenses for key executive management personnel comprise the following components:

Short term employee expenses which include:

- Salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied the specific position
- performance payments recognised as an expense during the year
- non-monetary benefits – consisting of fringe benefit tax applicable to the benefit.

Long term employee expenses include amounts expensed in respect of long service leave entitlement earned.

Post employment expenses include amounts expensed in respect of employer superannuation obligations.

Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination. This includes the value of redundancy payments.

Total expenses includes the base and non-monetary benefits, long term employee benefits and post employment benefits.

	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
	Monetary	Non-monetary				
	\$	\$	\$	\$	\$	\$
1 July 2021 – 30 June 2022	2,297,123	16,505	435,790	198,172	-	2,947,590
1 July 2020 – 30 June 2021	2,484,316	12,501	425,463	220,978	-	3,143,258

Disclosure – Remuneration expenses

Remuneration of key executive management personnel reduced by 6% due to vacancies in two roles for several months and the redundancies of two Executive Director roles in 2021.

d) Performance Payments

No Key Management Personnel remuneration packages provided performance or bonus payments.

Note 23: Commitments for expenditure

Support and maintenance expenditure commitments

The Regulator's ICT contracted systems support and maintenance commitments as at reporting date are as follows:

	2022	2021
	\$000	\$000
Not later than one year	3,867	414
Later than one year and not later than five years	4,189	-
Total	8,056	414

In 2021 the contract for systems support and maintenance was won by a new Supplier, and a contract agreed for 3 years to August 2024.

Note 24: Contingencies

Financial guarantees

Financial guarantees are in place with respect of the lease for office accommodation. The Regulator has a facility of \$3,000,000 with the Commonwealth Bank of Australia Ltd of which the following guarantees (\$2,223,043.51) have been issued:

- National Mutual Life Nominees PTY LTD (lease for Level 3 and part of 4, 76A Skyring Terrace, Newstead QLD, 4006) – \$799,684
- National Mutual Life Nominees PTY LTD (lease for Level 1 and 2, 76A Skyring Terrace, Newstead QLD, 4006) – \$333,310
- National Mutual Life Nominees PTY LTD (lease for Part Level 4, 76A Skyring Terrace, Newstead QLD, 4006) – \$299,582
- Perpetual Trustee Company LTD (lease for Part 2, 187 Todd Road, Port Melbourne, VIC, 3207) – \$155,585
- GPT RE LTD (lease of Level 11, 32 Smith Street, Parramatta, NSW - \$634,881

Guarantees are not recognised in the Statement of Financial Position as the probability of default is remote. Financial guarantee contracts are measured in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Note 25: Events occurring after balance date

The transfer of heavy vehicle services currently performed by TfNSW occurred on 1 August 2022. These services were paid for under a service level agreement between TfNSW and NHVR costing \$54,927,000 in 2021-22 (refer Note 7). The transfer of services in 2022-23 will result in a reduction in service agreement payments to TfNSW with an increase in operating expenditure of an approximately similar amount.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has resulted in a reduction in some operational expenditure for the Regulator up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the above information, the Board of the Regulator is not aware of any other events subsequent to 30 June 2022 that could materially affect the financial statements as presented.

Note 26: Financial instruments

Accounting policies – Financial instruments

Recognition and derecognition

Financial assets and liabilities are recognised in the Statement of Financial Position when the Regulator becomes party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the Regulator does not have any financial assets categorised as FVOCI or FVTPL.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Regulator's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Impairment of financial assets

AASB 9 replaced the 'incurred loss' model in AASB 139 with an 'expected credit loss' (ECL) model. This impairment model applies to the Regulator in relation to financial assets classified at amortised cost, being the trade receivables. Based on the Regulator's assessment of historical provision rates, there is no material financial impact on the impairment provisions on adoption of this standard and no adjustment to retained earnings is required. For the current period, the Regulator has elected to measure loss allowances on trade receivables using a life-time expected loss model which is measured based on historical credit loss experience.

Classification and measurement of financial liabilities

The Regulator's financial liabilities include borrowings, trade and other payables. Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, then subsequently held at amortised cost.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash and cash equivalents include cash on hand, cash and cheques received but not banked at year end, and deposits held at call with financial institutions.

(a) Categorisation of financial instruments

The Regulator has the following categories of financial assets and financial liabilities:

	Note	2022	2021
Category		\$000	\$000
Financial assets			
Cash and cash equivalents		102,734	94,385
Trade and other receivables	12	25,569	28,390
Total		128,303	122,775
Financial liabilities			
Lease Liabilities - Buildings	16	11,794	10,482
Lease Liabilities - Motor Vehicles	16	2,338	2,347
Trade and other payables	17	13,146	19,236
Total		27,278	32,065

(b) Credit risk exposure

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any provisions for impairment. No collateral is held as security relating to the financial assets held by the Authority.

The following table represents the Regulator's maximum exposure to credit risk based on contractual amounts net of any allowances:

Maximum exposure to credit risk			
Category			
Cash and cash equivalents		102,734	94,385
Trade receivables	12	23,059	27,032
Total		125,793	121,417

(d) Market risk

The Regulator does not trade in foreign currency and is not exposed to commodity price ranges. The Regulator is only exposed to interest rate risk through cash deposited in interest bearing accounts.

(e) Interest rates sensitivity analysis

Financial instrument	Carrying amount	2022 Interest rate risk			
		-1%		+1%	
		Profit	Equity	Profit	Equity
	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalent	102,734	7,271	114,048	9,325	116,102
Potential impact		(1,027)	(1,027)	1,027	1,027

Financial instrument	Carrying amount	2021 Interest rate risk			
		-1%		+1%	
		Profit	Equity	Profit	Equity
	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalent	94,385	29,194	105,833	31,082	107,721
Potential impact		(944)	(944)	944	944

Disclosure – Interest rates

Interest rate exposure only relates to interest earning on cash balances. An interest rate risk of 1% has been adopted as this represents the most probable move in the Reserve Bank rate over the next 12 months.

Disclosure – Credit risk exposure

No collateral is held as security and no credit enhancements relate to financial assets held by the Regulator.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amount as indicated.

(c) Liquidity risk

The Regulator is exposed to liquidity risk in respect of its payables from the participating state and territory Governments.

The following table sets out the liquidity risk of the financial liabilities held by the Regulator. It represents the contractual maturity of financial liabilities, calculated based on cash flows relating to the repayment of the principal and interest amounts at balance date.

Financial liabilities	2022 Payable in			Total
	<1 year	1-5 Years	>5 Years	
	\$000	\$000	\$000	\$000
Lease Liabilities - Buildings	3,643	7,072	1,079	11,794
Lease Liabilities - Motor Vehicles	952	1,386	-	2,338
Trade and other payables	13,146	-	-	13,146
Total	17,741	8,458	1,079	27,278

Financial liabilities	2021 Payable in			Total
	<1 year	1-5 Years	>5 Years	
	\$000	\$000	\$000	\$000
Lease Liabilities - Buildings	2,962	7,520	-	10,482
Lease Liabilities - Motor Vehicles	932	1,415	-	2,347
Trade and other payables	19,236	-	-	19,236
Total	23,130	8,935	-	32,065



Certificate of National Heavy Vehicle Regulator for the period 1 July 2021 to 30 June 2022

These general purpose financial statements have been prepared pursuant to section 693 of the *Heavy Vehicle National Law Act 2012* (the Act) and other prescribed requirements. In accordance with section 693 of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of National Heavy Vehicle Regulator for the period 1 July 2021 to 30 June 2022 and of the financial position of the Regulator at the end of that period.

16 September 2022


The Hon Duncan Gay
BOARD CHAIRPERSON


Sal Petrocchio
CHIEF EXECUTIVE OFFICER

Independent Auditor's Report to the Members of National Heavy Vehicle Regulator

Report on the Financial Report

Opinion

We have audited the accompanying financial report of National Heavy Vehicle Regulator ("the Regulator"), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the financial report of National Heavy Vehicle Regulator is in accordance with the *Heavy Vehicle National Law Act 2012*, including:

- a) Giving a true and fair view of the Regulator's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Regulator in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

Other information is financial and non-financial information in the annual report of the Regulator which is provided in addition to the Financial Report and the Auditor's Report. The Board are responsible for Other Information in the annual report.

The Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Other Matter – Electronic presentation of the Audited Financial Report

It is our understanding that National Heavy Vehicle Regulator intends to publish a hard copy of the audited financial report and audit report for members, and to electronically present the audited financial report and audit report on its web site. When information is presented electronically on a web site, the security and controls over information on the web site should be addressed by National Heavy Vehicle Regulator to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of audited financial information on the Regulator's web site is beyond the scope of the audit of the financial report. Responsibility for the electronic presentation of the financial report on the Regulator's web site is that of the governing body of National Heavy Vehicle Regulator.

Boards' Responsibilities for the Financial Report

The Board members of the regulator are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Heavy Vehicle National Law Act 2012* and for such internal control as the Board members determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board members are responsible for assessing the Regulator's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board members either intend to liquidate the Regulator or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at www.auasb.gov.au. This description forms part of our auditor's report.



PKF BRISBANE AUDIT



Liam Murphy
Partner

Brisbane
16 SEPTEMBER 2022

APPENDICES AND REFERENCES



APPENDIX A: HVNL REPORTING REQUIREMENTS

Under s.693 of the HVNL, the NHVR must provide responsible Ministers with an annual report within three months of the end of each financial year. The report must include the following matters:

HVNL reporting requirements	Reference	Pages
The financial statements that have been audited by an auditor decided by the responsible Ministers	s.693(2)(a)(i)	52-64
A statement of actual performance measured against the National Performance Measures (Standards and Indicators) outlined in the current corporate plan	s.693(2)(a)(ii)	14, 24, 29, 33, 37
A statement of exceptions where the National Performance Measures (Standards and Indicators) were not achieved, including a statement of issues that impacted on the achievement of the measures	s.693(2)(a)(iii)	14, 17, 18, 24, 29, 37
A statement of trend analysis relating to performance measured against the National Performance Measures (Standards and Indicators)	s.693(2)(a)(iv)	14, 24, 29, 33, 37
A statement of the outcome of consultation strategies and activities, including a summary of industry comments ¹	s.693(2)(a)(v)	6-9, 14, 18-21, 24-27, 29-30, 34, 36, 41-42
A statement of the achievements attained in implementing, and the challenges encountered in implementing, the Regulator's objectives stated in the current corporate plan	s.693(2)(a)(vi)	5-39
A statement of the achievements attained in the exercise of the Regulator's functions	s.693(2)(a)(vii)	5-39
A statement of arrangements in place to secure collaboration with state and territory agencies and the effectiveness of those arrangements	s.693(2)(a)(viii)	7, 14-19, 24-26, 31, 36, 41-42
Statement indicating the nature of any reports requested by the responsible Ministers under s.694	s.693(2)(a)(ix)	48
Other matters required by the national regulations	s.693(2)(a)(x)	n/a



¹ Comments have been placed within the Performance section of this report where relevant to the achievements reported.

APPENDIX B: OPERATIONAL AND ORGANISATIONAL STATISTICS

Access operations

Table 1 Access permit applications and turnaround times

	2021-22	2020-21	2019-20	2018-19	2017-18
Applications received					
Applications total	143,950	117,886	78,622	68,013	55,496
Single applications from customers	77,319	69,891	48,688	41,960	33,365
Generated applications for multi-route renewals	66,631	47,995	29,934	26,053	22,131
Application assessment					
Total applications completed	156,786	117,144	78,166	67,566	53,525
Single applications from customers	83,932	69,165	48,304	41,693	32,059
Generated applications for multi-route renewals	72,854	47,979	29,862	25,873	21,466
Applications refused	3,489	4,389	3,806	2,749	1,649
Applications delegated	7	0	653	1,876	6,861
NHVR processing time - average days	2.11	2.48	3.86	4.67	7.11
Overall end-to-end time - average days	12.87	13.82	16.83	18.89	18.89
Road manager consents					
Received within 28 days					
Local government - consents	116,602	96,275	66,214	52,323	39,796
Local government - average days turnaround	4.81	4.87	4.96	5.51	5.20
State - consents	71,036	62,635	42,941	34,039	25,123
State - average days turnaround	6.40	6.57	5.19	5.01	4.37
Received after 28 days					
Local government - consents	3,176	3,225	3,705	4,141	3,267
Local government - average days turnaround	55.04	54.81	83.65	67.38	60.23
State - consents	4,797	3,470	2,584	3,035	3,126
State - average days turnaround	51.87	46.74	59.67	67.84	66.83

Table 2 Total pre-approvals by participating road manager as at 30 June

State/territory	2021-22		2020-21		2019-20		2018-19		2017-18	
	Total	Impacted road managers	Total	Impacted road managers	Total	Impacted road managers	Total	Impacted road managers	Total	Impacted road managers
ACT	13	1	14	1	13	1	13	1	10	1
NSW	919	110	1113	122	783	112	641	97	588	92
QLD	549	65	622	67	537	67	392	58	414	77
SA	267	46	361	50	303	49	350	49	273	46
TAS	85	21	102	23	120	28	125	28	119	29
VIC	660	85	750	84	596	85	595	85	621	84
Other ¹	-	-	-	-	-	-	310	-	-	-
Total	2,493	328	2,962	347	2,352	342	2,426	318	2,025	329

NHVAS

Table 3 NHVAS applications by state/territory

	2021-22		2020-21		2019-20		2018-19		2017-18	
	Created	Closed	Created	Closed	Created	Closed	Created	Closed	Created	Closed
ACT	113	113	74	74	-	-	-	-	-	-
NSW	11,712	11,684	10,768	10,716	9,426	10,113	10,685	10,674	10,011	10,057
NT	174	174	186	184	184	193	235	232	269	274
QLD	9,216	9,193	8,666	8,621	7,909	8,386	8,573	8,557	8,646	8,703
SA	4,451	4,443	4,591	4,564	4,883	5,232	5,614	5,604	5,452	5,487
TAS	518	517	559	557	591	659	856	851	588	599
VIC	7,815	7,795	7,434	7,367	7,267	7,852	7,913	7,879	7,785	7,836
WA	336	335	301	300	137	156	18	18	4	4
Total	34,335	34,254	32,579	32,383	30,397	32,591	33,894	33,815	32,755	32,960

¹ Additional pre-approvals as a consequence of the *National Class 1 Agricultural Vehicle and Combination Mass and Dimension Exemption Notice*.

Table 4 Total accredited operators, accredited operators by module and nominated vehicles

	2021-22	2020-21	2019-20	2018-19	2017-18
Number of accredited operators					
Accredited operators	8,198	8,005	7,611	7,259	6,946
Accredited operators by module					
Mass	7,107	6,860	6,422	6,052	5,726
Maintenance	3,633	3,653	3,454	3,285	3,075
Basic Fatigue Management	2,726	2,604	2,453	2,303	2,222
Advanced Fatigue Management	89	77	64	49	46
Nominated vehicles					
Mass	48,151	46,146	43,475	41,912	39,443
Maintenance	126,725	121,752	116,764	112,018	106,763

Table 5 Total accredited operators, accredited operators by module and nominated vehicles by state/territory

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Total
Number of accredited operators									
Accredited operators	23	2,471	26	1,630	1,429	201	2,377	41	8,198
Accredited operators by module									
Mass	20	2,123	7	1,199	1,282	198	2,255	23	7,107
Maintenance	10	1,309	25	1,019	873	17	349	31	3,633
Basic Fatigue Management	9	1,062	13	609	322	43	639	29	2,726
Advanced Fatigue Management	-	17	2	47	14	0	9	-	89
Nominated vehicles									
Mass	111	15,036	141	11,312	5,645	1,628	14,077	201	48,151
Maintenance	347	40,785	1,274	47,833	16,839	537	17,641	1,469	126,725

PBS**Table 6** PBS vehicle design and approval applications

	2021-22		2020-21		2019-20		2018-19		2017-18	
	Received	Approved	Received	Approved	Received	Approved	Received	Approved	Received	Approved
Vehicle design applications ²	718	716	667	635	525	530	471	413	387	387
Vehicle approval applications	2,857	2,924	2,259	2,037	1,812	1,787	1,632	1,615	1,486	1,466

Table 7 PBS vehicle design applications by vehicle type

Vehicle type	2021-22	2020-21	2019-20	2018-19	2017-18
A-double	219	111	149	128	112
B-double	95	48	69	62	56
Bus	6	0	2	2	3
Other	23	9	18	6	7
Prime mover and semitrailer	122	71	87	99	44
Road train	30	19	14	10	12
Truck and dog	175	311	131	164	153
Total	670	569	470	471	387

Table 8 Vehicles certified under the PBS framework

	2021-22	2020-21	2019-20	2018-19	2017-18
Individual units	12,932	11,375	9,102	7,345	7,344
Vehicle combinations	2,016	1,859	1,681	1,720	1,741

Vehicle Standards

Table 9 Vehicle Standards applications and permits issued

	2021-22			2020-21			2019-20			2018-19			2017-18		
	Received	Finalised	Issued	Received	Finalised	Issued	Received	Finalised	Issued	Received	Finalised	Issued	Received	Finalised	Issued
Vehicle Standards exemption (permit)	121	136	34	188	195	46	206	254	100	333	340	154	411	384	226
In-principle support	315	333	140	358	328	170	214	243	127	388	387	234	382	356	293
Modifications	18	19	8	23	21	11	17	21	12	32	31	25	62	52	46

Notices

Table 10 Notices of exemption or authorisation made under the HVNL

	2021-22	2020-21	2019-20	2018-19	2017-18
Access	32	30	28	80	18
Vehicle Standards	5	7	8	11	3
Fatigue	6	1	8	6	2

Table 11 Number of existing transitional notices made under former corresponding laws

	As at 30 June 2022	As at 30 June 2021	As at 30 June 2020	As at 30 June 2019	As at 30 June 2018
	0	2	2	5	73

Customer experience

Table 12 Contact Centre activity

Task	2021-22	2020-21	2019-20	2018-19	2017-18
Call volumes ³	52,513	59,322	59,689	59,897	60,260
Average call duration - minutes:seconds	7:03	6:05	6:21	6:13	6:14

Our people

Table 13 Workforce profile as at 30 June 2022⁴

	ELT	Senior managers	Employed under an enterprise agreement (EA)	Contractor/agency	Total
Permanent employees	0	0	309	0	309
Temporary employees ⁵	8	71	55	0	134
Contractor/agency	0	2	0	37	39
Total	8	73	364	37	482

Table 14 Employees by classification and gender as at 30 June 2022

	Female	Male	Other/chose not to advise	Total
Executive	3	5	0	8
Senior managers	16	46	0	62
EA employees	161	212	2	375
Contractor/agency (excluding senior managers)	6	19	12	37
Total	186	282	14	482

Table 15 NHVR WHS performance

	2021-22	2020-21	2019-20	2018-19	2017-18
Last time injuries	1	3	3	1	0
Medical treatment injuries ⁶	1	2	1	3	3
Near misses	12	21	24	10	13
Journey to/from work ⁷	6	13	9	15	10
Workers' compensation claims lodged	7	13	4	9	3

Industry engagement and communication

Table 16 Industry engagement and communication activities

	2021-22	2020-21	2019-20	2018-19	2017-18
Social media reach ⁸	24,746,021	11,676,138	6,740,982	3,829,261	2,656,081
Website hits	2,313,145	2,258,355	1,932,807	1,780,346	1,481,880
Media releases	33	58	51	69	66
Industry updates (e-newsletter)	25	28	30	25	25
Local government updates (e-newsletter)	3	2	2	6	4
Stakeholder forums ⁹	4	9	9	16	11
Keynote speeches and presentations	10	7	33	31	32

³ Number of calls received by the external call centre and in-house NHVR Contact Centre.

⁴ Head count not full-time equivalent.

⁵ Maximum-term, non-executive Managers/Directors or Executives.

⁶ An injury that was not an LTI but for which first aid and/or medical treatment was administered.

⁷ An injury experienced travelling between home and the workplace, to or from work-related training or for other work-related reasons.

⁸ Impressions on Facebook, Instagram, LinkedIn and Twitter.

⁹ Includes RWG, Technical Working Group and Heavy Vehicle Industry Forum meetings.

APPENDIX C: KEY REGULATORY ACTIVITIES INCLUDING COMPLIANCE COSTS

The Productivity Commission's final report on National Transport Regulatory Reform was handed to the Australian Government on 7 April 2020 and publicly released on 1 October 2020.

In the report, the Commission found that "a time series of consistent and detailed administrative cost information on the regulation of heavy vehicles, rail and domestic commercial vessels is not available."

It recommended that "The National Heavy Vehicle Regulator, the Office of the National Rail Safety Regulator and the Australian Maritime Safety Authority should monitor compliance costs and report on these costs, disaggregated by key regulatory activity, commencing in 2021."

While the Australian Government is yet to comment on the Commission's recommendations, we agree with this recommendation and have included these costs below.

We have defined compliance costs as being those costs incurred by the NHVR in undertaking its regulatory services, and includes those associated with:

- information, technology and systems;
- data storage and analysis;
- equipment, depreciation and maintenance;
- rent and leases;
- travel and accommodation;
- legal expenses;
- taxes;
- human resources;
- people safety;
- finance administration; and
- communications.

These numbers primarily reflect our heavy investment in developing our information systems and data analytics capability to help us ensure we are a data-driven, intelligence-led regulator.

NHVR key regulatory activity	Compliance costs	Direct costs	Total costs
On-road compliance	\$7,149,515	\$14,928,950	\$22,078,465
Compliance investigations	\$697,514	\$1,515,548	\$2,213,061
Prosecutions	\$3,313,190	\$2,628,085	\$5,941,275
Intelligence	\$1,284,234	\$2,139,137	\$3,423,371
Distribution of consumables (written work diary sales)	\$-	\$2,178,915	\$2,178,915
Issue access permits	\$3,287,099	\$4,350,992	\$7,638,091
Strategic and operational policy support	\$3,102,657	\$5,117,525	\$8,220,181
National Heavy Vehicle Accreditation Scheme	\$1,552,241	\$2,219,383	\$3,771,625
Performance Based Standards	\$1,004,392	\$1,476,992	\$2,481,383
Vehicle standards	\$1,004,392	\$1,476,992	\$2,481,383
Regulatory compliance	\$3,707,118	\$4,124,427	\$7,831,545
Fatigue management	\$182,617	\$781,173	\$963,789
Customer service	\$2,191,400	\$3,799,036	\$5,990,436
Regulator specific education activities	\$2,505,500	\$4,240,835	\$6,746,335
	\$30,981,867	\$50,977,989	\$81,959,856
Service agreements		\$77,838,527	\$77,838,527
Project-based work	\$4,200,183	\$28,800,082	\$33,000,265
	\$4,200,183	\$106,638,609	\$110,838,792
Total	\$35,182,050	\$157,616,598	\$192,798,648



SCOs Joshua and Shayne at a heavy vehicle inspection site.

GLOSSARY

Advanced Fatigue Management (AFM)	A module of the NHVAS enabling operators to propose their own hours (rather than using prescribed work and rest hours), provided the fatigue risks of those hours are offset by sleep, rest and other management practices in a compliant fatigue risk management system.	Heavy Vehicle Confidential Reporting Line (HVCRL)	The NHVR's secure, national, confidential telephone service for participants in the heavy vehicle industry and supply chain to report operational safety issues relating to heavy vehicle transport activities.
Aggregate Trailer Mass	Of a heavy trailer, means the total maximum mass of the trailer, as stated by the manufacturer together with its load and the mass imposed on the towing vehicle by the trailer when the towing vehicle and trailer are on a horizontal surface.	Heavy Vehicle National Law (HVNL)	The schedule to the <i>Heavy Vehicle National Law Act 2012</i> (Qld).
App/ Application	A set of computer programs designed to permit the user to perform a group of coordinated functions, tasks or activities.	Heavy Vehicle National Law Act 2012 (Qld)	The law under which the NHVR was established. Consists of the <i>Heavy Vehicle National Law</i> and five sets of regulations.
Artificial intelligence (AI)	The performance by computer systems of tasks normally requiring human intelligence, such as problem-solving or decision-making.	Heavy Vehicle Productivity Plan 2020–2025	Outlines how the NHVR intends to facilitate safe, efficient and productive heavy vehicle movements.
Authorised officer	A police officer declared by a law of a participating jurisdiction to be an authorised officer for the purposes of this HVNL or a person who holds office under the HVNL as an authorised officer.	Heavy Vehicle Safety Initiative (HVSI)	A grants program, administered by the NHVR on behalf of the Australian Government, that supports implementable, value-for-money projects delivering tangible improvements to heavy vehicle safety.
Automatic Number Plate Recognition (ANPR) cameras	Cameras that automatically detect the number plates of passing heavy vehicles.	Heavy Vehicle Safety Strategy 2021–2025 (HVSS)	Describes how the NHVR will create positive change in individual behaviour and industry safety culture, and drive the uptake of a modern, safer heavy vehicle fleet.
Chain of Responsibility (CoR)	The CoR refers to ten defined roles within the road transport supply chain that influence and affect the safety of heavy vehicles on the road. Each party that performs those roles has a primary duty to do what is reasonably practicable to ensure that their actions and practices contribute to on-road safety.	Impressions	Measures the amount of time a social media page's content is displayed.
Contact Centre	Takes inbound calls on 13 NHVR (13 64 87) from NHVR customers, responds to emails sent to info@nhvr.gov.au and progresses complex enquiries to subject matter experts within the NHVR, as required.	Improvement notice	Issued by an authorised officer under s.572 of the HVNL, an improvement notice directs a person to take action within a stated period to stop a contravention of the HVNL from continuing or occurring again or to remedy the matters or activities giving rise to the contravention.
Corporate Plan	Under the HVNL, the NHVR must annually prepare a Corporate Plan for responsible Ministers' approval, which outlines the NHVR's objectives, National Performance Measures (including Standards and Indicators), challenges, risks and budget for each three-year period.	Information Privacy Act 2009 (Qld) (IP Act)	Provides for the fair collection and handling in the public sector environment of personal information, and a right of access to, and amendment of, personal information in the NHVR's possession or under the NHVR's control unless, on balance, it is contrary to the public interest.
Electronic Work Diary (EWD)	An electronic device or system approved by the NHVR to monitor and record the work and rest times of a driver of a fatigue-related heavy vehicle as an alternative to the paper-based National Driver Work Diary.	Infrastructure and Transport Ministers' Meeting (ITMM)	The ITMM brings together Commonwealth, state, territory and New Zealand ministers with responsibility for transport and infrastructure, as well as the Australian Local Government Association. It provides a forum for intergovernmental collaboration, decision-making and progressing priorities of national importance.
Enforceable undertaking (EU)	An EU is a voluntary statutory agreement that can be used as an alternative to prosecution, where the alleged offender can demonstrate their ability to undertake organisational reform and implement effective safety measures for transport activities.	In-principle support	To gain approval to import or supply a heavy vehicle that does not meet the heavy vehicle standards, the potential importer must seek in-principle support from the NHVR that indicates the vehicle will be granted some level of access to roads in Australia.
Engagement, social media	Measures the amount of interest in a social media post. It is determined by the number of people a post reaches who then like, comment, share or click on the post.	Intelligent Access Program (IAP)	IAP is a technical, functional and regulatory national framework to manage heavy vehicle access through the use of telematics. Telematics is a method of monitoring vehicles by using GPS technology and on-board diagnostics to plot a vehicle's movements.
Fatigue Choices	An NHVR program of free, one-on-one consultations to help drivers and operators understand and gain access to the options available for more flexible fatigue management arrangements.	Light vehicle	A vehicle that is not a heavy vehicle.
Fatigue management	Unless participating in the NHVAS AFM module, heavy vehicle drivers of fatigue-regulated heavy vehicles are not allowed to drive or work more than the maximum work hours or rest less than the minimum rest hours in a certain period set out by law.	Lost Time Injury (LTI)	A work-related injury or disease resulting in time lost from work of at least one day or shift, a permanent disability or a fatality.
Fatigue-regulated vehicle	A fatigue-regulated heavy vehicle is a vehicle or combination with a gross vehicle mass (GVM) of more than 12 tonnes or a bus of more than 4.5 tonnes fitted to carry more than 12 adults,	Lost Time Injury Frequency Rate	The total number of LTIs and fatalities in the defined period divided by the number of hours worked in the period, multiplied by one million. In this report, contractor hours worked are excluded.
Gazetted network	A collection of roads where a RAV can operate when complying with all the relevant conditions of a notice.	Machine learning (ML)	A type of AI that allows software applications to become more accurate at predicting outcomes without being explicitly programmed to do so. ML algorithms use historical data as input to predict new output values.
Gross vehicle mass (GVM)	The maximum loaded mass of the vehicle as stated by the manufacturer, unless the NHVR has specified the vehicle's maximum loaded mass.	Medical Treatment Injury	An injury that was not an LTI but for which first aid and/or medical treatment was administered.
Heavy vehicle	Defined in the HVNL as a vehicle that has a gross vehicle mass (GVM) or aggregate trailer mass (ATM) of over 4.5 tonnes, with the GVM of a vehicle being the maximum it can weigh when fully loaded, as specified by the manufacturer.	National Driver Work Diary	A paper-based work diary published by the NHVR. Also known as a logbook, it must be kept by the driver of a fatigue-related heavy vehicle, and is written evidence that a driver's work and rest hours are compliant with the HVNL and that driving fatigue is being managed.

National Heavy Vehicle Accreditation Scheme (NHVAS)	The NHVAS is a voluntary scheme offering accreditation in four different modules – Mass Management, Maintenance Management, Basic Fatigue Management and Advanced Fatigue Management – for operators who have robust and auditable management systems in place.	Regulatory Compliance Mobility Solution (RCMS)	A mobile app that enables authorised officers at the roadside to see the history of a heavy vehicle, its driver and company, record the details of a vehicle intercept, and electronically issue non-compliance and infringement notices.
National Heavy Vehicle Regulator (NHVR)	Australia's dedicated, statutory regulator for all heavy vehicles. Individual Australian state and territory governments have responsibility for the transport of dangerous goods by road.	Responsible Ministers	The HVNL defines responsible Ministers as a group of ministers for each participating jurisdiction (as nominated by that jurisdiction) and the Commonwealth responsible Minister.
National Road Safety Strategy 2021–2030	Developed by the Australian Government Office of Road Safety in collaboration with a wide range of stakeholders (including the NHVR), the strategy sets out Australia's road safety objectives over the next decade.	Restricted Access Vehicle (RAV)	RAVs are heavy vehicles that require a permit or notice to access an approved road network.
National Safety Camera Network (NSCN)	Captures data from across the country, combining data from more than 120 ANPR camera sites covering more than 5,800 kilometres across five Australian states and territories with an average of more than 3.8 million sightings per month.	Right to Information Act 2009 (Qld) (RTI Act)	Gives a right of access to information in the government's possession or under the government's control unless, on balance, it is contrary to the public interest.
National Services Transition (NST) Program	A program to transfer regulatory roles and services from HVNL-participating states and territories to the NHVR.	Road manager	Road manager, for a road in a participating jurisdiction, means an entity that is declared by a law of that jurisdiction to be the road manager for the road for the purposes of the HVNL. Non-government road managers, such as ports, airports, toll operators, railway, forestry, utility and other third-party road owners.
National Spatial Program	Aims to deliver a nationally consistent route-planning platform for the heavy vehicle industry using consistently sourced data.	Route Planner	An interactive online mapping service, mapping and displaying approved routes for use by heavy vehicles.
National Transport Commission (NTC)	Jointly funded by Commonwealth, state and territory governments, the NTC develops and proposes nationally consistent land transport reforms, and reviews, maintains and amends national and model laws, and other instruments – such as, codes and guidelines).	Safety and Compliance Officer (SCO)	Employed directly by the NHVR to perform heavy vehicle on-road compliance, enforcement and education activities under the HVNL.
NHVR Portal	A digital platform through which customers can access a broad range of regulatory services.	Safety and Compliance Regulatory Platform (SCRIP)	The NHVR's secure national heavy vehicle database, containing registration, crash, defect, intercept and infringement data, and information from the NSCN.
Non-government road manager	A port, airport, toll operator, railway, forestry, utility or other third-party road owner.	Safety Management System (SMS)	A systematic approach to managing safety, including the necessary organisational structures, accountabilities, policies and procedures, which is integrated throughout the business wherever possible.
Notice, road access	Notices enable certain categories of heavy vehicle to access specific routes according to a set of conditions without needing to apply for a permit. Notices are published in the Commonwealth of Australia Gazette.	Strategic Local Government Asset Assessment Project (SLGAAP)	An NHVR initiative funded by the Australian Government to optimise heavy vehicle access on the local road networks across Australia by working collaboratively with engineering consultants and local government road managers to conduct engineering assessments of road assets, such as bridges and culverts, to better understand their capability and inform access decision-making.
Notice, vehicle standard	The NHVR may, by Commonwealth Gazette notice, exempt a category of heavy vehicles from the requirement to comply with a heavy vehicle standard.	Special Purpose Vehicle (SPV)	A motor vehicle or trailer, other than an agricultural vehicle or a tow truck, built for a purpose other than carrying goods, or a concrete pump or fire truck (both of which carry water). Examples of SPVs include mobile cranes, concrete pumps, drill rigs and fire trucks.
On the Road	The NHVR's fortnightly e-newsletter distributed via subscription.	Supervisory intervention order (SIO)	A court may, on application by the prosecutor or the NHVR, make an SIO requiring the convicted person to do various things that the court considers will improve the person's compliance with the HVNL. (HVNL Division 5)
Participating jurisdictions, HVNL	Include the ACT, Queensland, New South Wales, South Australia, Tasmania and Victoria.	Total Recordable Injury Frequency Rate	The total number of Medical Treatment Injuries, LTIs and fatalities in the defined period divided by the number of hours worked in the period, multiplied by one million. In this report, contractor hours worked are excluded.
PBS standards	Under the PBS scheme, vehicles are assessed against 16 minimum vehicle performance standards to ensure they are stable on the road and can turn and stop safely, and four infrastructure protection standards.	TruckSafe	The Australian Trucking Association's heavy vehicle accreditation scheme.
Performance Based Standards (PBS) scheme	An alternative compliance scheme for heavy vehicles, setting minimum performance levels for safe and efficient operation (as opposed to standard prescriptive rules).	Vehicle approval, PBS	A PBS Vehicle Approval serves as evidence that a vehicle has been accepted into the PBS scheme. It is issued by the NHVR after an as-built vehicle has been inspected and certified as meeting the PBS design specifications.
Permits, road access	A permit is issued to an operator of a RAV, enabling them to access a particular route. It may contain specific conditions set by the road managers for that route.	Vehicle Safety and Environmental Technology Uptake Plan (Vehicle SETUP)	The Vehicle SETUP outlines the program of work the NHVR will undertake to accelerate the introduction of new safety and environmental technologies into the Australian heavy vehicle market.
Primary duty	The duty on each party in the CoR for a heavy vehicle to ensure, so far as is reasonably practicable, the safety of the party's transport activities relating to the vehicle.	Vehicle standard	The NHVR is responsible for the application of the <i>Heavy Vehicle (Vehicle Standards) National Regulation</i> under the HVNL and for granting exemptions across participating jurisdictions.
Pre-approval	An administrative arrangement whereby a road manager provides in-advance consent for certain vehicles to access their networks for a period of time.	Web Content Accessibility Guidelines	An international standard created by the World Wide Web Consortium (W3C) explaining how to make web content more accessible to people with disabilities.
Registered Industry Codes of Practice (RICP)	Provide industry-specific information to parties in the CoR about the risks associated with heavy vehicle transport, and recommend a range of measures that can be implemented to eliminate or minimise those risks. RICPs have standing in court proceedings.		
Registration Checker app	The NHVR Registration Checker app allows a user to check the registration status of any heavy vehicle registered in Australia (except heavy vehicles registered in the Northern Territory without a national heavy vehicle plate). Also includes NHVAS, PBS, hazardous goods licence (in New South Wales and Western Australia) and primary producer concession information.		

For the statutory definitions of terms used in the HVNL, see Part 1.2, Interpretation, of the HVNL and other definitions in various Parts of that Act and its associated regulations.

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TABLE OF ABBREVIATIONS

ACT	Australian Capital Territory	NOG	National Operations Group
AFM	Advanced Fatigue Management	NOPG	National Operational Planning Group
AI	Artificial intelligence	NRBS	National Roadworthiness Baseline Survey
ANPR	Automatic Number Plate Recognition	NRM	National Regulatory Model
ARAT	Asset Rapid Assessment Tool	NRS	National Roadworthiness Survey
CoR	Chain of Responsibility	NSCN	National Camera Safety Network
CRSMS	Critical Risk Safety Management System	NSPG	National Strategy and Policy Group
CSIA	Customer Service Institute of Australia	NST	National Services Transition
ELT	Executive Leadership Team	NTC	National Transport Commission
EU	Enforceable undertaking	OCM	O'Connor Marsden
EWD	Electronic Work Diary	PBS	Performance Based Standards
FDDT	Fatigue and Distraction Detection Technology	QMS	Quality Management System
FRAC	Finance Risk and Audit Committee	RAV	Restricted Access Vehicle
FRMS	Fatigue Risk Management Standard	RCMS	Regulatory Compliance Mobility Solution
GVM	Gross Vehicle Mass	RICP	Registered Industry Code of Practice
HHTS	Healthy Heads in Trucks & Sheds	RTI	Right to information
HPFV	High Productivity Freight Vehicle	RWG	Regional Working Group
HVCRL	Heavy Vehicle Confidential Reporting Line	SAPOL	South Australia Police
HVNL	Heavy Vehicle National Law	SAWIA	South Australian Wine Industry Association
HVSI	Heavy Vehicle Safety Initiative	SCO	Safety and Compliance Officer
HVSS	<i>Heavy Vehicle Safety Strategy 2021–2025</i>	SCRIP	Safety and Compliance Regulatory Platform
IAP	Intelligent Access Program	SETUP	Safety and Environmental Technology Uptake Plan
IP	Information privacy	SIO	Supervisory intervention order
IRF	Industry Reference Forum	SLGAAP	Strategic Local Government Asset Assessment Project
ITMM	Infrastructure and Transport Ministers' Meeting	SMS	Safety Management System
LTI	Lost Time Injury	SPV	Special Purpose Vehicle
ML	Machine Learning	TfNSW	Transport for NSW
MRWA	Main Roads Western Australia	VSG	Vehicle Standards Guide
NHVAS	National Heavy Vehicle Accreditation Scheme	WHS	Workplace health and safety
NHVIM	<i>Heavy Vehicle Inspection Manual</i>		
NHVR	National Heavy Vehicle Regulator		





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